

Between utopia and reality:
An exploration of Radical Corporate
Responsibility in values-driven
businesses

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Between utopia and reality: An exploration of Radical Corporate Responsibility
in values-driven businesses

Thesis submitted in partial fulfilment of the requirements for the Degree
of Doctor of Philosophy

At The University of Canterbury
Department of Management, Marketing and Entrepreneurship

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March 2014

*This thesis is dedicated to all of those in business who courageously and stubbornly follow
their heart*

Acknowledgements

I have been blessed by the love and support of many during these thesis years, and since heartfelt gratefulness does not translate well in words, I do hope this does you justice.

I am most grateful to you, Marjolein, my supervisor, for providing guidance and clarity on this journey. Your ability and dedication to give expression to all that is human and (often) inexpressible in business has always amazed me and inspires me to “keep at it” as well. I have always thought it a small wonder that the universe placed such a like-minded soul on my path, who knew, on a deeper level, where I was coming from and where I wanted to go.

Thank you to the research participants, without whom there would be no research at all. Thank you for sharing your stories, your time and opening your businesses (and even your homes) to me.

This research would not have been possible without the doctoral scholarship and the generous research grant made available through the University of Canterbury. Also, Irene, Donna and Irene from the Department of Management, Marketing and Entrepreneurship, thank you for the comforting chats, cookies and assistance. There were many days when your friendly smiles made all the difference.

Sam, Betsy: your unfailing belief in me and your support throughout the years has been invaluable. Sam, you are my whanau, I love you and I feel honoured to be in your life. Thank you; for everything. Betsy, you are the best; your love, generosity and open arms have meant the world to me. And that other support as well ...

Peter, your presence has brought so much joy, play and lightness to the last months of this work. Thank you, I feel so grateful and blessed that you came into my life.

These have been years of great turbulence, not in the last place because of the two significant earthquakes that hit Christchurch in 2010 and 2011. I have been deeply moved by those who gave me a home and offered me the space to come to terms with these events, while also doing this research. Pavitra and Om, your support, your “willing ears and arms” and your generosity has been truly humbling. You have done more than anyone could have expected; I cannot express how grateful I am. Thank you also for reminding me that my joy and laughter is a gift! I am also grateful to the extended family at Anahata Yoga Retreat; for supporting me and giving me the opportunity to

work on this research while staying at the ashram. It has been a huge learning experience. A big thanks to The Big House crew for your hospitality after the second quake (thank you Ella and Adria!). Auckland University of Technology: Thank you for giving me an office and welcoming me to the law department after I lost my working space in Christchurch.

I also want to express my gratitude to my ex-teacher, Swami Muktidharma Saraswati, who in both the grace of his teachings and the gravity of his humanness has continually encouraged me to see with clarity and pushed me to move ever closer to my deeper self.

As lovely Brough pointed out, those of us who work independently and do not have that daily confirmation that we are on the right track are in need of “back-up singers”, who will confirm that we are still okay and are doing a great job. So, finally, much love to those “back-up singers” with whom I shared laughter, food, dance, drinks, joy, despair, chats, chocolate, inspiration, thoughts, love and so much more. The beautiful Golden Bay sisters; Cassie (for coffee walks, inspirational talks and food deliveries); Lani; Josephine and Peter; the Richmond road whanau; the Satyananda yoga family (in particular: Devashakti, I will never forget how you checked in with me every week following the second quake; Yogamani for offering yoga sessions; Vishwatma for keeping my possessions dry and safe; Premratna for talks and Kirtan); the women of the Grey Lynn community; Liesbeth (you are my oldest and finest back-up singer, and I miss you); Noa (those few phone calls were a lifeline); Rutger; Silvio (for listening when I needed to give form to my thoughts); Sagar (super-sister extraordinaire); K2 and Mischief; Max (for many great study breaks); G. (for driving me from France to The Netherlands to Germany when Eyjafjallajökull erupted and I needed to get from London to New York to continue the interviews. Oh yes, and for making mum happy); Yvonne, Sarah and Deirdre (thank you for your healing support); Willemijn; Hannele and Katie (for surprise outings, Charteris Bay and kindling my love for Otautahi).

Mum, Dad, I love you. Dad, you taught me how to use logic, see the bigger picture and to always question your assumptions in life. Mum, you taught me to care, to laugh and to never, ever walk in a straight line (indeed, why walk when you can skip or dance). I miss you both.

But in the end it is You (the Mother, the Universe, the ocean, God) who is the inspiration, the wisdom and the love which guides and sustains me.

Arohanui ki a koutou katoa.

Abstract

Despite the growing consensus on the importance of an extended responsibility for business, both the conceptual and practical understanding of “corporate responsibility” has remained limited. Corporate responsibility is still often understood as an add-on to business-as-usual or as a strategy to enhance business performance. In fact, in recent years, the concept of corporate responsibility has become associated with corporate deceit instead of corporate contributions to society, and tends to engender cynicism rather than a sense of hope. In this study I sought to explore a more hopeful and more “radical” conceptualisation of corporate responsibility. By looking at an international sample of “exemplary” values-driven businesses, this study provides insight into corporate responsibility not primarily as a means towards commercial ends but as an expression of a desire to “do good” and create social and/or environmental value.

This study paints a picture of the rich, responsible reality of values-driven businesses. It describes their generous, human-centred approach to employees and the internal environment. It explores their deep sense of interdependence with the wider community in which they find themselves, and their extensive engagement with a wide variety of external parties, many of which are not “naturally” connected to business. It creates an understanding of the iterative, emerging and evolutionary nature of the CSR implementation process and the inherent impermanence of CSR “solutions”.

While this study gives a comprehensive insight into various, generous and progressive practices, it shows that the essence of a “responsible existence” is not the implementation of certain practices alone, but relates to the willingness and ability to continuously question the established ways and practices of business in light of the higher business aspirations, which, for many, leads to a fundamentally different way of organising, managing and governing the business. At the same time, this study does not provide a glorified account of some kind of “utopian” responsible existence. Instead, it shows the “messy” reality of trying to implement social and environmental values, while faced with multiple demands and when embedded within a social and business context that does not necessarily holds the same values. The thesis describes the various conflicts and compromises related to the implementation of multiple, conflicting commitments and demands, and the different ways in which the sample businesses approach such situations. While the sample businesses are quite capable of gracefully navigating these conflicts in creative and pragmatic ways, the research also indicates that significant compromises are seemingly inevitable, and can, almost imperceptibly, move a company away from its envisaged values and commitments.

Finally, this study argues that the currently dominant approach to corporate responsibility in organisational studies, which reflects a rationalised and economic perspective on CSR and business, will be insufficient to describe the rich reality found within these businesses, as it will edit out some of its most essential elements. I conclude this dissertation by proposing an alternative, human existential lens through which corporate responsibility in values-driven businesses can be understood. Through a review of the research findings in relation to three existential themes, I show that a human existential perspective is better suited to explore both the beauty and the struggle of values-driven businesses.

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*You work that you may keep pace with the earth and the soul of the earth.
For to be idle is to become a stranger unto the seasons, and to step out of life's procession, that marches in majesty and proud submission towards the infinite.
When you work you are a flute through whose heart the whispering of the hours turns to music.
Which of you would be a reed, dumb and silent, when all else sings together in unison?*

*Always you have been told that work is a curse and labour a misfortune.
But I say to you that when you work you fulfil a part of earth's furthest dream, assigned to you when that dream was born,
And in keeping yourself with labour you are in truth loving life,
And to love life through labour is to be intimate with life's inmost secret.*

But if you in your pain call birth an affliction and the support of the flesh a curse written upon your brow, then I answer that naught but the sweat of your brow shall wash away that which is written.

*You have been told also that life is darkness, and in your weariness you echo what was said by the weary.
And I say that life is indeed darkness save when there is urge,
And all urge is blind save when there is knowledge,
And all knowledge is vain save when there is work,
And all work is empty save when there is love;
And when you work with love you bind yourself to yourself, and to one another, and to God.*

*And what is it to work with love?
It is to weave the cloth with threads drawn from your heart, even as if your beloved were to wear that cloth.
It is to build a house with affection, even as if your beloved were to dwell in that house.
It is to sow seeds with tenderness and reap the harvest with joy, even as if your beloved were to eat the fruit.
It is to charge all things you fashion with a breath of your own spirit,
And to know that all the blessed dead are standing about you and watching.*

*Often have I heard you say, as if speaking in sleep, "He who works in marble, and finds the shape of his own soul in the stone, is nobler than he who ploughs the soil.
And he who seizes the rainbow to lay it on a cloth in the likeness of man, is more than he who makes the sandals for our feet."
But I say, not in sleep but in the overwakefulness of noontide, that the wind speaks not more sweetly to the giant oaks than to the least of all the blades of grass;
And he alone is great who turns the voice of the wind into a song made sweeter by his own loving.*

*Work is love made visible.
And if you cannot work with love but only with distaste, it is better that you should leave your work and sit at the gate of the temple and take alms of those who work with joy.
For if you bake bread with indifference, you bake a bitter bread that feeds but half man's hunger.
And if you grudge the crushing of the grapes, your grudge distils a poison in the wine.
And if you sing though as angels, and love not the singing, you muffle man's ears to the voices of the day and the voices of the night.*

Kahlil Gibran, *On Work*

Chapter One: Introduction

We want to restore grace, beauty, and justice to the world, while also running an efficient business An imagination of the beautiful, an imagination of the good, an imagination of the whole, an imagination of love, justice, peace and joyfulness as the ultimate destiny of this, whatever you call it, creation. (Einstein's Cycles)

I always say, sustainability is for slackers ... because sustainability is to sustain For me the things that we do with Aveda is to thrive. Like we want to thrive and we want the world around us to thrive. (Aveda Organics)

In this introductory chapter I describe the motivation behind the research (1.1) and the research focus (1.2). I provide insight into the theoretical context in which this research can be placed (1.3) and discuss the structure of the chapters (1.4). This chapter concludes with an overview of the chapters (1.5) and some additional remarks (1.6).

1.1. Hope

Despite the growing consensus on the importance of an extended responsibility for business, both the conceptual and practical understanding of “corporate responsibility” has remained limited. Corporate responsibility is often portrayed as an add-on to business-as-usual or proposed as a strategy to enhance business performance. In addition, corporate responsibility is generally viewed as a response to external pressures, as opposed to an expression of a business’ heartfelt desire to create social and/or environmental value. This sets up an understanding of corporate responsibility as a reactive measure to minimise harm rather than as a creative activity that enables the social and natural environment to thrive. Unsurprisingly perhaps, in recent years, the concept of corporate responsibility has become associated with corporate deceit instead of corporate contributions to society, and tends to engender cynicism rather than a sense of hope.

In this study I sought to explore a more hopeful and more “radical”¹ conceptualisation of corporate responsibility, which is not just an add-on to business-as-usual but questions and affects the fundamental nature and ways of business. In a greater sense, what motivated me in this research was the possibility to (re)build confidence in the future of business and, by showing the beautiful

¹ The term “radical” refers here to “relating to or affecting the fundamental nature of something; far-reaching or thorough” (Oxford Dictionary of the English language).

and inspiring things that *are* happening in business, contribute to a sense of optimism about a better, more sustainable future.

1.2. Research focus

In this research I was interested in exploring what corporate responsibility looks like when it arises from a desire to create social or environmental value, from a desire to “do good”. Since it was important to me that the research would have practical relevance, I wanted to explore this question empirically rather than philosophically and sought out businesses that actively seek to fulfil a worthwhile function in society, and see their environmental and/or social values as core to their business purpose. In other words, I turned to values-driven businesses for inspiration about what a hopeful and “radical” concept of corporate responsibility may look like.

At the same time, I was not interested in a utopian picture of corporate responsibility; I wanted to understand whether and how businesses struggled in bringing their “good” intentions into reality. In particular, I was interested in the tensions and conflicts they encounter between their various commitments and demands.

This research interest was translated in the following initial research question: How do values-driven businesses realise their values and commitments amidst the complexity of organisational life?

As is common in grounded theory, the methodology chosen for this research, I viewed this initial research question as a *starting point* to give focus to the initial data collection, rather than as a generic research question.

The overall research focus can be identified as: What does corporate responsibility look like in businesses for whom environmental and/or social values are core to their business purpose?

1.3. Theoretical context

As mentioned, grounded theory was adopted as the research methodology. As is common in grounded theory and as is explained in more detail in the Methodology chapter (Chapter 2), the literature reviewed in the research, and therefore the literature one makes a contribution to, is driven by the findings.

The *overall* theoretical framework deemed most relevant to the findings of this research is Corporate Social Responsibility (CSR). Although numerous definitions of CSR have emerged over the years, the broadly shared commonality in this highly pluralised field is a concern with the relationship between business and society (M. D. P. Lee, 2008; Margolis & Walsh, 2003). In other words, CSR questions what role can, or should, business play in society and in creating a better world (Basu & Palazzo, 2008).

While I understand this framework to be the most relevant in relation to the findings, I acknowledge that there was an element of choice in what theoretical framework I used. I clarify my choice in relation to the two main alternatives considered: business ethics scholarship and the burgeoning literature on hybrid/social businesses.

While the business ethics literature, and in particular the writings on business-ethics-as-practice (e.g., Clegg, Kornberger, & Rhodes, 2007), was in certain ways relevant to the findings, I was inspired to make a *practical* contribution with my research, so that it could assist businesses to become better at “being good”. I felt that this focus on a practical contribution was more aligned with the focus of CSR studies than with the focus of business ethics studies, which have a tendency to be philosophical rather than practical in nature.

I also considered placing the findings in the context of the emerging studies on organisations that combine social and economic missions. These studies focus specifically on new, hybrid models of organising that combine “the best” of non-profit and for-profit organisations, and that “may hold promise for addressing the most troublesome challenges facing both the developed and the developing world” (Brewster, Nina, Reyna, Wang, & Welch, 2009, p. 7). At the moment this burgeoning “field” lacks clear delineation and a clear theoretical foundation, which is also reflected in the wide range of related terms being used in such studies, such as: fourth sector or blended value business (Brewster et al., 2009), hybrid business (Battiliana, Lee, Walker, & Dorsey, 2012), hybrid organisation (Billis, 2010), B-corporations (Haymore, 2011), inclusive business (Halme, Lindeman, & Linna, 2012) and social enterprise (Austin, Stevenson, & Wei-Skillern, 2006; Peredo & McLean, 2006). While I agree with Brandsen, van de Donk, and Putters (2005) that the confusion and ambiguity of the concept is probably a characteristic rather than a problem (in other words, an organisation that has both profit and non-profit traits is inherently ambiguous), and while in itself a lack of delineation does not have to be an issue, the fact that most of these studies currently focus on hybrid organisations that do not seek profit, and in a sense are more akin non-profits, discouraged me from adopting this framework. I had a particular interest in understanding the complexity of being *and* values-driven *and* profit-driven, a complexity that much of this literature,

given its focus on non-profits, does not address. Again, I felt that the CSR context would be better suited to this research.

This focus on CSR theory as the overall theoretical framework for this thesis means that within the theoretical implications section of each chapter I bring the focus back to the contributions to the field of CSR. In addition, as outlined in section 1.5, within this research I review the overall implications of this research to CSR theory. In other words, on an overall level, this research critiques mainstream CSR theory.

1.4. Structure of chapters

Within grounded theory extant literature is not ignored, but one does not start with a general literature review. Instead, the findings determine what literature is reviewed with the objective to build theory *grounded in the data*. Therefore, in each of the findings chapters, Chapter 3, 4, 5 and 6, I chose the following structure: *First* I discuss the findings of the research and *subsequently* I place these findings within the context of the, in my understanding, most relevant literature.

In each findings chapter, between the description of the findings and placing the findings in the context of the literature, I reflect on the findings in a separate section. In these sections I step back from the data and reflect on what I am seeing from a higher level of abstraction. Even though one would generally refrain from providing any new data at this point and would not include “the participant’s voice”, given that the majority of participants were quite reflective themselves and given my commitment to do research *with* participants rather than *on* them (for further details, see section 2.4.4), I chose to include such reflective participant quotations in these sections.

It is important to note here that, one, the “most relevant literature” (as driven by the findings) was not always the CSR literature per se. For instance, in Chapter 4, which focuses on the external engagements of values-driven businesses, social partnership and collaboration studies were reviewed. While these studies can be considered “CSR-related”, they do not all sit within the CSR field. In this case, I review the implications for, and theoretical contributions to, these social partnership and collaboration studies, but also bring the focus back to the contribution to the field of CSR.

Second, similar to what was mentioned in the previous section, even though each literature review

is driven by the findings, there was still an element of choice in terms of what literature was reviewed. For instance, to take Chapter 4 as an example once more, I chose social partnership and collaboration studies because its focus on the practical aspects of the engagement between business and other-sector partners for social purposes was relevant to the findings; however, it would also have been appropriate to review the hybrid/social business literature, as this literature addresses another element of the findings, the blurring boundaries of conventional roles of both the business and others. However, this literature is quite philosophical and therefore considered less closely related to the actual findings.

1.5. Overview of chapters

In Chapter 2, *Methodology* I describe the research methodology used for this research, grounded theory. I outline the reasons for choosing this methodology and describe how it informed the research design, the data collection, the data analysis and the theory development. I also address the areas where I deviated from the grounded theory “ideal” and explain why I chose to do so.

Chapters 3 to 6 are “findings” chapters; these chapters are inherently linked as they describe different aspects of the values-driven “reality”, but each chapter also makes a distinct theoretical contribution.

Chapter 3 and 4 are practice focused chapters. As a starting point for each of these chapters I explore *what* the sample businesses do in terms of their practices and then explore what drives the implementation of such practices, the *why*. Chapter 3, *Employee responsibility in values-driven business: A human-centred approach*, gives insight into how the sample businesses understand their responsibility towards employees. In this chapter I explore the various employee-related practices adopted and argue that what underlies these extensive, generous practices is a view of the employee as a human being, rather than as an “asset” to be used for organisational ends alone. I reflect on these findings within the context of the current employee-focused CSR literature and discuss how employee responsibility is not simply an add-on to business-as-usual but requires a thoughtful and thorough review of various organisational practices and processes. By paying particular attention to the challenges described by the participants, this chapter also gives insight into the practical requirements of such a human-centred approach.

In Chapter 4, *No company is an island: External engagement as corporate co-responsibility*, the focus

shifts to the relationship between the business and the *external* environment. This chapter shows the extensive interactions and collaborations of these businesses with a wide variety of parties in the external environment and explores the various purposes of such engagements. It finds that in many of these engagements the business becomes a platform for positive change, and that the boundaries of conventional roles, of both the business and external others, begin to blur. A comparison of these findings with the current literature on social partnership and collaboration shows that while this literature tends to view social partnership and collaboration from a commercial business perspective, for these businesses their engagement with others is based on a deep understanding of the interdependence between the business and the external environment. The implications of this for both theory and practice are explored.

In Chapter 5, *Beyond the holy grail of CSR implementation: CSR as an emergent and evolutionary process* I go beyond a practice focus and take a process perspective. This chapter explores the overall process by which values-driven businesses design and plan their CSR activities. This chapter shows that CSR implementation is not usually guided by predetermined values or grand implementation frameworks; instead, implementation is an organic, *ongoing* process of change in which the company continuously reflects, implements, reviews and adjusts. I compare the findings to four of the main perspectives on this process found within the literature (sensemaking, systems thinking, learning organisation and strategy-as-practice), and find that while these perspectives all address an important element of the CSR implementation process, for a comprehensive understanding a combination of these perspectives is required.

Chapter 6, *Between utopia and reality: The conflicts and compromises of values-driven business*, focuses specifically on situations where the various values and commitments are in tension with one another. In this chapter I give insight into the challenges of *inquiring* into situations of conflict and compromise, and how I addressed these challenges within the interviews. I explore the specific conflicts experienced by the sample businesses as well as the various, common approaches adopted to address these situations of tension. While businesses quite capably make values-driven decisions on such conflicts, there are also instances where significant compromises to one, or more, of the values and commitments are made. I discuss how in these latter situations the business may, over time, subtly move away from its envisaged values and commitments. A comparison with the current CSR literature shows that the majority of this literature reduces these implementation challenges to cases of “highly complex decision-making” and fails to provide more depth to the nature and inevitability of the struggle faced by values-driven businesses.

Finally, in Chapter 7, *An existential perspective: Embracing both the beauty and struggle of values-driven businesses*, I take a step back from the findings and I address the concern that within the currently dominant perspective in CSR theory, characterised by an economic and rational approach, essential elements of the rich reality of the values-driven businesses may get lost. I present a human existential perspective as an alternative lens. By reviewing the findings of the previous findings chapters in relation to three existential themes on authentic existence, I show that an existential perspective is well-situated to honour the depth and richness of corporate responsibility as it was described by the sample businesses.

Chapter 8, *Conclusion*, summarises the theoretical and practical contributions of the individual chapters. In addition, I discuss the *overall* implications of this research for CSR theory as a whole. I argue that the CSR theory proposed in this research is fundamentally different from current CSR theory since many of the engrained assumptions of what motivates CSR and what it entails are disputed by the findings of this research. I argue therefore that this research points towards a “Radical” CSR theory.

As a final comment to this section, within the structure chosen for this thesis, theoretical contributions are discussed on three levels. One, theoretical contributions are discussed in *each* of the four findings chapters (Chapter 3, 4, 5 and 6) for those *specific* literatures most relevant to the theme of that particular chapter. On a second level, in Chapter 7, I bring the findings of the previous four chapters together and reflect on them in the context of the dominant *perspectives* in current business and corporate responsibility research. Here I make a theoretical contribution by offering an alternative, human existential perspective for business and corporate responsibility research. On a third level, in Chapter 8 I bring the theoretical implications of each of the chapters together and make observations about the *overall* contributions of this research for *CSR theory as a whole*; here I offer an alternative set of assumptions about the nature and purpose of CSR.

1.6. Additional remarks

While I provide an overview of the sample in the Methodology chapter it has been a conscious choice not to introduce the sample in this introduction by describing their values or mission statements. The reason is that I wanted the interview data to reveal what these businesses are

about, rather than any “stated” or “claimed” values or commitments.

In concluding this introduction, a few general notes on the terminology used.

This research understands a “values-driven business” as an organisation that views its commitment to social or ecological values (or both) as core to its business purpose, while at the same time wanting (or needing) to make a profit.

I use the general term “corporate social responsibility” or its abbreviation “CSR”; in my understanding CSR is an inclusive term that includes both social *and* environmental responsibility.

At times I refer to the “responsible reality” of the sample businesses; with this term I do not mean to indicate that they are “perfectly” responsible in all aspects of their business (as I reiterate in each chapter as well), I simply refer to their experiences as a values-driven business.

Throughout the thesis I use the term “values-driven” to describe the *identity* of the chosen sample. I use this particular term to describe their identity (rather than for instance “CSR-focused” business or business “with purpose beyond profit”) as this term resonated most with the participants themselves. The term “CSR” or “corporate responsibility”, on the other hand, is used as an *activity*-related term; it relates not to their identity (who they are) but to their activities (what they do).

Finally, as is common in grounded theory methodology, in the terminology used throughout the thesis I stayed as close as possible to the participants’ own vocabulary.

Chapter Two: Methodology

2.1. Overview

This chapter outlines the methodology and research design of this research. In section 2.2 I briefly review the roots of grounded theory and explain my reasons for adopting this method. In section 2.3 the issue of quality in grounded theory is discussed, which is followed in 2.4 by an explanation of the main design choices. In section 2.5 the data collection process is outlined, and the chapter concludes with section 2.6, which describes the process of data analysis and theory development within this research.

2.2. Grounded theory as method

The choice for grounded theory as research method was inspired by the research topic, the research aim, as well as some practical considerations. Before outlining these motivations in 2.2.4, however, it is relevant to touch on the roots of grounded theory (2.2.1); briefly explore the diversity within grounded theory (2.2.2); and explain my particular perspective on grounded theory (2.2.3).

2.2.1. Roots of grounded theory

The development of grounded theory by Glaser and Strauss (Glaser & Strauss, 1967) reflected a growing disenchantment with the extreme positivism and overemphasis on quantitative methods that had pervaded the social sciences (Charmaz, 2006; Hall & Callery, 2001; Suddaby, 2006). In addition, Glaser and Strauss (1967) took issue with the logico-deductive model that characterised social science research in the 1960s, in which researchers developed hypotheses from existing, “grand” theoretical works and tested those hypotheses in social settings (Bryant & Charmaz, 2007a; Goulding, 2002). While this emphasis on replication and verification led to refinement of theory, it seldom resulted in the development of new theory, and allowed for an ever-widening gap between theory and research. Glaser and Strauss specifically objected to the ideal of “grand theory”, common within the social sciences, since such highly abstract theoretical schemes were far removed from everyday individual behaviour, ignored human problems and had limited application to people’s every-day lived situations (Charmaz, 2006; Glaser & Strauss, 1965; Locke, 2001; Mills, 1959). Glaser and Strauss set out to redress this form of empirically dissociated theorising, and developed a

defined, systematic approach for conducting rigorous qualitative² research focused on the generation (rather than the verification) of theory, grounded in the “real” world and of practical relevance to the social actors involved (Glaser, 1998; Glaser & Strauss, 1967; Strauss & Corbin, 1998b).

Before outlining the reasons for choosing grounded theory, it is relevant to touch on the diversity found within grounded theory, and to clarify the particular “version” chosen for this research.

2.2.2. Diversity in grounded theory

Since its inception almost half a century ago, grounded theory has become the most widely used qualitative research framework in the social sciences (Bryant & Charmaz, 2010; Bryman & Bell, 2003; Denzin, 1998; Reichertz, 2007). It has become widely disseminated and has been applied to a wide variety of phenomena, within many different scientific disciplines, and has also made an entry into professional fields such as nursing, management and education (Olesen, 2007; Strauss & Corbin, 1998b). Since the original publications, however, the method has evolved significantly and as a result of the subsequent changes different “versions” or “designs” of grounded theory can be identified (Creswell, 1998; Glaser, 1978; Goulding, 2002; Locke, 2001).

Three versions of grounded theory are generally distinguished, each emphasising a different aspect of the method (Bryant & Charmaz, 2007a): emergent grounded theory (Glaser, 1978, 1992), systematic grounded theory (Strauss & Corbin, 1998a) and constructivist grounded theory (Charmaz, 2006). Glaser stresses the interpretive, contextual and emergent nature of the research process; he favours creativity and openness to the unexpected and encourages the researcher to let that which emerges to determine the direction of the research (Goulding, 2002; O'Neil Green, Creswell, Shope, & Clark, 2007; Suddaby, 2006). Strauss and Corbin (1998a) on the other hand advocate adherence to more formal and prescriptive routines for analysing data, such as complex and systematic coding techniques (Goulding, 2002; Locke, 2001; Suddaby, 2006). Building on a symbolic interactionist theoretical perspective, Charmaz's version takes into account the research context and the researcher herself. She emphasises that, given the researcher's past and present experiences, the researcher is *integral* to the process of data collection and theory development, rather than being separate from it (Bryant & Charmaz, 2007a; O'Neil Green et al., 2007).

² Grounded theory can also be used within quantitative research, Glaser and Strauss saw grounded theory as a *general*, rather than as a solely *qualitative*, method.

Given this diversity within grounded theory, some have argued that grounded theory is best understood as a family of methods rather than a single research practice or a unified framework (Babchuk, 2010; Bryant & Charmaz, 2007a; Denzin, 2007).

In part as a result of this diversity, it can be argued that the paradigm boundaries around grounded theory are not clearly drawn (Bryant & Charmaz, 2007a; Locke, 2001). The terminology used within the founding texts³, such as “emergence” and “reality”, seems to attest to an epistemological orientation that assumes that reality can be discovered, explored and understood, and exists separate from the scientific observer (Bryant & Charmaz, 2007a, p. 34; Charmaz, 2006). This concern with the discovery of a certain reality would suggest that grounded theory is compatible with positivistic assumptions, and can be placed within an objective realist perspective (Guba & Lincoln, 1994; Locke, 2001). At the same time, the founding texts also hold insights that can provide the basis for a different interpretation of the philosophical stance of the method (Bryant & Charmaz, 2007a). For example, the focus on the subjective experience of social actors, as well as its symbolic interactionist roots fit well within an interpretative paradigm (Denzin & Lincoln, 1998b; Locke, 2001). According to Bryant and Charmaz (2007a), more recent interpretations of the grounded theory method step away from the positivist roots and show realignment with an interpretive/constructivist orientation (e.g. Babchuk, 2010; Charmaz, 1995, 2006; A. E. Clarke, 2005; Denzin, 2007). It may come as no surprise therefore that the grounded theory method has been applied within a wide variety of studies with differing epistemological assumptions. Within management and organisation studies alone, the grounded theory method has been used within studies that are modernist, interpretive and postmodern in orientation (Locke, 2001). Given this diversity within grounded theory in both epistemology and version, it is important for researchers to specify the school of thought that orientates their theoretical framework and make the choices in relation to the research apparent (Locke, 2001).

While any choice for a certain research methodology should be consistent with the researcher’s assumptions about social reality and how that reality might be known (Bryman & Bell, 2003; Denzin & Lincoln, 2000), as explained above, the paradigm lines around a grounded theory study are determined more by the commitments, views and preferences of the individual researcher than by the practices of the method itself (Locke, 2001).

³ *Awareness of dying* (Glaser & Strauss, 1965), *The discovery of grounded theory* (Glaser & Strauss, 1967), *Time for dying* (Glaser & Strauss, 1968) and *Status passage* (Glaser & Strauss, 1971)

Within this research I want to know about the different subjective realities as they are constructed and experienced by organisational members in values-driven businesses (Denzin & Lincoln, 1998a; Skinner, Tagg, & Holloway, 2000). I take a subjectivist epistemological view; I assume that human beings impose their internal perceptions on the external world and in this way create their own realities. In my understanding the researcher and that which is researched are interactively linked; I understand myself to be part of the same reality I am studying, I expect that I influence what I am researching and I expect it to influence me (Guba & Lincoln, 1994; McNiff & Whitehead, 2006). Therefore, in my understanding “the ideal of a neutral detached observer is unrealistic: what counts as warranted knowledge, truth and reason are always conditioned through the operation of inescapable socially constructed, and hence transitive, modes of engagement” (Cassell & Johnson, 2006, p.788; Habermas, 1974; Skinner et al., 2000). Despite the reflective use of self during data collection and analysis processes, we perceive the world according to “the colour of the glasses we wear” and we will always have a degree of blindness to what that colour might be. In other words, that what the researcher observes is a function of both who they are and what they hope to see (Richards, 2009; Suddaby, 2006). In my understanding, any other person, with their specific genetic characteristics, experiences and tendencies would “produce” different findings from my own. Rather than considering “a problem”, I see it as a beautiful reflection of our inherent diversity and of the unique contribution we all make to creating an understanding of life and the world. In this understanding I was also inspired by action research methodology as it recognises the “I” of the researcher quite explicitly; it understands that research is not value-free and it seeks to hold the researcher accountable for their learning and perceptions and their influence on the learning of others (Strauss & Corbin, 1998b, p. 164).

This research is therefore best placed within a constructivist paradigm and is most aligned with Charmaz’s constructivist version of grounded theory (Denzin, 1998; Guba & Lincoln, 1994). Charmaz holds that

We *construct* our grounded theories through our past and present involvements and interactions with people, perspectives, and research practices ... [this] approach explicitly assumes that any theoretical rendering offers an *interpretive* portrayal of the studied world, not an exact picture of it. (2006, p. 10).

Within this perspective, the researcher strives to represent the studied phenomena as faithfully as possible, representing the “realities” of those studied in all their diversity and complexity, but the social scientist is considered an interpreter of the scene not an the ultimate authority defining it

(Charmaz, 2006). Important in this perspective is that it explicitly acknowledges the relationship between researcher and participant, within which the nature of the inquiry is shaped and within which the data are constructed (Bryant & Charmaz, 2007a, pp. 51-52; Hall & Callery, 2001). With that this perspective addresses a common criticism directed at the originators of grounded theory, who appear “to have given little attention to the social processes that influence the generation of data and thus the social construction of knowledge” (Hall & Callery, 2001, p. 258). It should be mentioned though, that in Glaser’s view grounded theory is *not* constructivist; in his understanding, constructivism is a result of research biases which would be revealed and mitigated through the constant comparative process (Glaser, 2002).

2.2.3. Reasons for grounded theory

In this section I clarify my choice for grounded theory as a method in relation to the research topic, the research aim and some practical considerations.

Research topic: The area under study, values-driven businesses, has received limited academic attention and has therefore remained relatively under-theorised. The grounded theory method is particularly suitable for phenomena or topics that have been given superficial or limited attention within the literature (Bryant & Charmaz, 2007a; Charmaz, 2006; Goulding, 2002; Martin & Turner, 1986). Given its focus on generating new theory as it emerges from the data, rather than testing hypotheses, a lack of prior knowledge is seen as an advantage in this methodology as prior knowledge might force the researcher into consciously or unconsciously testing hypotheses rather than directly observing the data (Glaser, 1998; Glaser & Strauss, 1967).

In addition, grounded theory research is an evolutionary and developmental process, which emerges over time. This means that the grounded theory “style” is flexible and fluid in that the researcher can adjust the sample, the data sources, the methods of data collection, as well as the research question, to respond to specific circumstances and insights as they arise throughout the research process (Glaser, 1978; Suddaby, 2006). In the case of this research, this flexibility is preferable over a more rigid research design as it is exploratory and focused on theorising a “new” substantive area (T. W. Lee, 1999; Locke, 2001). Also, since the research topic and context is quite complex (it seeks, for instance, to understand the conflicts between the various commitments and needs of the business), it was not possible to design a clearly bounded research in advance and a method that is highly adaptable, like grounded theory, is more appropriate. Grounded theory’s openness to the use of different research tools and data sources also makes this method well suited to capture the complexity of the area under study (Bryman & Bell, 2003).

Finally, within this research I wanted to understand the organisational reality as it is lived and experienced within the sample businesses, without minimising or simplifying this reality. Grounded theory was therefore appropriate as it aims to remain close to the actual data and it does not seek to minimise or simplify the complexity or messiness of life.

Research aim: The primary purpose of grounded theory as a method is the generation of theory that has explanatory power over the phenomenon or area under study. As mentioned in section 2.2, such theory should not be highly abstract and removed from the empirical reality but should be grounded in the real world and have relevance to the social actors involved. This pragmatic focus of grounded theory was an important influence in adopting grounded theory as a method, as it aligns with my view on the purpose of scientific research in general and this PhD research in particular. One of the primary considerations in deciding to do doctoral research was that the research had to be relevant and worthwhile for the development of a more sustainable world. In a sense, I felt there was a moral dimension to doing research; in the light of the worrying developments in our world I did not consider it moral or meaningful to spend three or more years on creating knowledge that had no relevance to the organisational praxis and would not contribute to the development of “a better world”. In this respect I agree with Weil in that “thought that [is] not confronted with the concrete reality of the world through action [is] meaningless” (in Pauchant, 2002, p.135); it is through action that human and social betterment is brought about. Therefore, my interest was in developing knowledge that would be able to assist theorists and practitioners in creating more responsible and more sustainable organisations, by coming to understand the lived reality of people within values-driven businesses. Grounded theory’s “insistence on pragmatic usefulness as a criterion of good theory” and the fact that it “is particularly adept at bridging theory and practice, providing employees and managers a way to identify and institute changes that might improve their situations” (McKernan, 2006, p.204), suited my research objective.

Practical considerations: The choice for this research methodology is also driven by practical considerations, specifically in relation to the challenge of access to organisations (Bryant & Charmaz, 2007b; Glaser & Strauss, 1967; Locke, 2001, p. 96). For this research the option of doing several ethnographic case studies was also considered. The initial idea was to spend an extended amount of time embedded within a few values-driven businesses as this would have provided an in-depth experiential understanding of these businesses. However, when investigating this option, I experienced “access issues” with the organisations as there were concerns in relation to confidentiality and commercially sensitive information. One organisation also mentioned that they

are currently experiencing increased pressure (related to the recession and current economic climate), and were unwilling to add any complications (like a researcher) to their organisational reality. These access challenges required me to dismiss the option of ethnography and review other options.

As a final note to this section, an examination of the qualitative methodological literature shows that there are “conflicting opinions and unresolved issues regarding the nature and process of grounded theory” (Cutcliffe, 2000, p. 1476). The literature on grounded theory is often considered “confusing and conflicting” (p. 1478), in particular in relation to (theoretical) sampling, the role of extant literature and the definition and use of a specific research question. There are two ways to go about critically evaluating the research method one introduces. One, by stating all critiques up front, or two, by taking the critique into account as one justifies the specific research choices made in the thesis. Here I chose the latter (these choices are described in 2.4); not only because the first option leads to a somewhat abstract description of concerns and critique, but also because the second option is generally recommended by both those using grounded theory, as well as those critiquing it (e.g., Suddaby, 2006).

2.3. Quality in grounded theory

Before clarifying the various design choices involved in this research in section 2.4, it is important to create an understanding of quality within the grounded theory method.

The nature of grounded theory, as well as the different paradigms in which the method can be placed, poses some questions around how to assess quality in grounded theory research (Locke, 2001). The quality criteria embraced by the “conventional” social research community such as validity, reliability and generalisability are generally bound to the ideals of positivism and objectivity (Bryman & Bell, 2003; Denzin & Lincoln, 2000; Kempster & Parry, 2011), and are not appropriate in its traditional form for judging the quality of the generated theory (Glaser & Strauss, 1967). In terms of validity and independent verification, Kempster and Parry (2011) observe that

Some principles of positivist science may clash with the purpose of grounded theory. For example, grounded theory seeks to understand people's words and actions in contexts and develop explanations through interpretation Issues of validity thus become difficult – someone else examining the data may generate an alternate explanation. (p. 109)

In addition, generalisation or external replication is not so much dismissed within grounded theory inquiries (e.g. grounded theorists may aim to develop formal theory), but the emphasis is placed on practical importance and contextual applications (Dey, 2007; Glaser, 1998).

Glaser and Strauss (Glaser, 1978, 1992; Glaser & Strauss, 1967) suggest four criteria for judging a completed grounded theory: fit, work, relevance and modifiability. The theory needs to have a close *fit* with the data (the theory emerged from the data rather than from any preconceived ideas); it *works* in that it has explanatory power in relation to the phenomenon under study; the theory has *relevance* in that it is useful and relevant for those under study; and the theory should not be set in stone but should be readily *modifiable* if new data arise, “generation is an ever modifying process and nothing is sacred if the analyst is dedicated to giving priority attention to the data” (Glaser, 1978, p. 5).

These criteria are fulfilled *through* the grounded theory process. In other words, if carried out correctly and methodically grounded theory will meet these criteria (Glaser & Strauss, 1967; Parry, 1998; Strauss & Corbin, 1998a). Even though the diversity within grounded theory makes it impossible to provide a definitive account of the method⁴ (Bryman & Bell, 2003), there are core elements to the grounded theory process that are recurrent in most, if not all, literature on grounded theory: the use of the *constant comparative method*, which emphasises the simultaneous involvement in data gathering, data analysis and construction of theory; *the process of coding*: the construction of analytical codes and categories as they emerge from the data; and *theoretical sampling*: the practice of sampling aimed at, and guided by, the construction of theory (e.g. Glaser & Strauss, 1967; González-Teruel & Abad-García, 2011; Hood, 2007; Strauss & Corbin, 1998a; Wiener, 2007).

Verification within grounded theory, therefore, can be understood as an integral part of the grounded theory process itself: “There is built into this style of extensive interrelated data collection and theoretical analysis an explicit mandate to strive toward *verification* of its resulting hypotheses ... This is done *throughout the course* of the research project” (Glaser, 1992, 2008; Goulding, 2002; Strauss & Corbin, 1998b, p. 161). For example, in terms of “fit”, the constant comparative process “is one of the methods employed within grounded theory which helps to reduce and forestall any researcher bias which might force the data and render it unfaithful to the phenomenon under study” (Glaser, 1998, 2002). In addition, these elemental processes ensure “relevance” by allowing core

⁴ For instance, authors tend to present their own “lists” of fundamental features of grounded theory. This may be illustrated, for instance, by the variety in “lists” within the various contributions to *The Sage handbook of grounded theory* (Bryant & Charmaz, 2010).

problems or issues to arise from the area under study and checking emerging insights within the research context throughout the process. It is in the rigor of applying the core procedures of grounded theory that the validity of the project is ensured (González-Teruel & Abad-García, 2011).

The process of data collection and analysis, and the critical steps in the development of the theory should therefore be made sufficiently apparent to the reader (Dey, 2007; Glaser & Strauss, 1967; Suddaby, 2006). Quality of a grounded theory inquiry is then demonstrated by the awareness of the researcher of the choices open to her at every stage of the research process, and the ability to make these choices transparent and, by doing so, opening them up for critique (Dey, 2007; Easterby-Smith, Golden-Biddle, & Locke, 2008; Glaser & Strauss, 1967; Kemmis & McTaggart, 2000). The research design choices will be discussed in section 2.4 Research design choices; data collection and sampling processes will be addressed in section 2.5 Data collection and the data analysis process will be outlined in section 2.6 Data analysis.

In concluding the discussion on quality, it can be argued that for grounded theory research done within a constructivist paradigm, additional quality criteria should be considered. The criteria for rigor as developed by Glaser and Strauss suggest that data are understood as reproductions of reality and that discovered theory emerges from those data, *separate* from the researcher. Within “traditional” method sections of articles, “researcher objectivity and independence from the phenomena they are studying” are generally emphasised (Easterby-Smith et al., 2008, p. 423), and the social processes that influence the generation of data and thus the social construction of knowledge are generally not taken into account (Charmaz, 1995, 2006; Hall & Callery, 2001, p. 258; Kempster & Parry, 2011). However, within a constructivist paradigm it is important that the effects of the interactions and the (power and trust) relationship between the researcher and the participant(s) is acknowledged and accounted for. Hall and Callery (2001) argue that incorporating “reflexivity” and “relationality” into the study would enhance the rigour of the results. Reflexivity “is defined as critically examining one’s effect as a researcher on the research process” (p. 262, 263), and serves to acknowledge the social construction of the interview or participant observation. In other words, it refers to the reflexive use of self in the interview or participant observation processes to create an understanding how the personal/professional perspectives or qualities of the researcher were operationalised during the interviews and may have influenced the findings⁵.

⁵According to Hall and Callery this is different than theoretical sensitivity, which is discussed in section 2.4.2 as “theoretical sensitivity emphasizes the reflexive use of self in the processes of developing research questions and doing analysis” (2001, p. 263). Reflexivity on the other hand is directed at the interview and participant observation processes.

Relationality is concerned with care, equity, reciprocity and social action; criteria which validate the relationship between the researcher and the participant. Hall and Callery (2001) explain, that equity and social action, for instance, “address power relationships between researchers and study participants. Using an equity approach has the potential to engage participants more fully in the development and dissemination of research findings and therefore to increase the rigor of the research process”(p. 268). This is of particular importance if the research aims to be of practical use or aims to constitute a basis for social action (Easterby-Smith et al., 2008). I address both reflexivity and relationality in the section 2.4 Research design choices when discussing the researcher – participant relationship.

2.4. Research design choices

In this section I clarify my choices in relation to the research design, and in particular, how grounded theory guided these choices. It should be noted that even though I list these choices *prior* to a description of the data collection and data analysis processes, as is common with a flexible research approach such as grounded theory, some of these choices were made *during* the actual research process.

2.4.1. Adoption of initial research question

To ensure relevance of the topic studied and avoid the forcing of data, Glaser (1992) emphasises that a research question should not be “thought up” but should emerge through the processes of theoretical sampling and constant comparison. At the same time, it is acknowledged that tensions can arise between such an open attitude to data collection and the specific requirements and circumstances of a specific research project; and some argue that “the idea that reasonable research can be conducted without a clear research question and absent theory simply defies logic” (Suddaby, 2006, p. 634). For this PhD research, it was not deemed feasible or desirable to collect data in a way that is completely consistent with the emergent philosophy, without any predefined research questions or conceptualisations. It was anticipated that given the research topic, which is quite complex and potentially expansive, and the time frame available to me as a PhD student, the data collection needed to have focus. In addition, academic requirements related to the submission of the research proposal, ethics approval and grant/funding requests required a specified research

question beforehand. Therefore, an initial research question was adopted from a broad review of the existing corporate social responsibility (CSR) literature. The initial research question read,

How do values-driven businesses realise their values and commitments amidst the complexity of organisational life?

In this question the “complexity” of organisational life related to the idea that values-driven businesses would face various contradictory or competing demands and commitments, which would challenge the realisation of all the values and commitments⁶. I considered this initial research question as a starting point to give focus to the study and inform the pilot interviews, which could be adapted as needed as the research progressed, rather than being a fixed statement of the phenomenon under study. I repeatedly evaluated the fit between the initial research interest with the emerging data and adapted the research question accordingly (Charmaz, 2006). For instance, as the research progressed “the complexity of organisational life” became more specific, and I focused in particular on the conflicts and compromises faced by values-driven businesses.

2.4.2. Role of extant literature

Similar to what was mentioned in the previous section, to assist an open attitude to the data and to ensure that theory is generated from real-world data, grounded theory advocates a conservative approach to the use of extant literature and knowledge in the field under study (Glaser, 1978, 1998, 2008; Glaser & Strauss, 1967; Gummesson, 2000). In terms of the literature review, this conservative stance means that unlike most other research methods, a grounded theory study does not start with an extensive review of literature related to the phenomenon under study, followed by hypotheses development and field research. Instead, the study evolves from a tentative literature base. It is the field data, and consequent development of codes and categories, that focus the attention towards disciplines and extant theory, which have the most sensible fit (Goulding, 2002, p. 164). The role of extant literature and how it is a common misinterpretation, however, to understand this conservative stance towards extant theory as a requirement that the researcher “must enter the field with a blank mind (i.e., without knowledge of the literature and absent prior experience)” or “must defer reading existing theory until the data are collected and analysed” (Goulding, 2002, p. 634; Locke, 2001; Suddaby, 2006).

⁶ Further background to the research question is given in Chapter 5 (section 5.2.1), which addresses the conflicts and compromises of values-driven business.

Within this study the choice was made to consult a variety of academic (and non-academic) *throughout* the study. While I acknowledge that one will always be influenced by what one reads in the extant literature, since the academic literature is limited within the subject area of values-driven businesses I felt comfortable that the reading of this literature would not significantly hamper my openness to the data, or would, unconsciously, lead me to testing hypotheses rather than directly observing (Suddaby, 2006). The reading of literature served two main purposes. One, existing theory in related fields of corporate responsibility, strategic management and business ethics was broadly reviewed at the beginning of the study to help define the initial research question, as well as justify its originality in the official research proposal and research grant requests. Two, I reviewed literature from a variety of fields to help me understand what I was “seeing” in the data. (Glaser & Strauss, 1967; Strauss & Corbin, 1998a). As tentative insights emerged from the data, I would at times consult the existing literature (both academic and non-academic) to help me give form to those insights and understand their meaning more fully. In this context, grounded theory methodologists emphasise the importance of “theoretical sensitivity”, which refers to the role of extant knowledge and experience in bringing sensitivity and focus to the research; as well as aiding data interpretation and theoretical development (Glaser, 1978, 1992; Locke, 2001). For example, when the data indicated that the “responsibility” of the sample businesses went beyond what could be seen in their practices alone, and seemed to refer to something “deeper” related to their “being” in the world, I sought out various literatures to inspire me *how* to think about this and provide some context to what I was seeing. In this instance, I looked within the organisational literature (for instance, I explored the “business ethics as practice” literature as well as organisational literature that speaks to “organisational conscience”) but I also sought out literature outside of the organisational field. For instance, I looked into the physics and philosophy literature that describes the “wholeness of being” (e.g. Bortoft, 1996); or the popular science literature that looks at nature as an inspiration for human creations (e.g. Benyus, 2002; Frenay, 2006) as this could inspire me to see businesses more organically. In this way, throughout the study, the literature helped me form concepts from the data, which I would then test within subsequent interviews. Both the fact that there was limited literature on these businesses, as well as the realisation quite early on in the study that these businesses could not be understood within traditional business concepts and language, the literature reviewed throughout the study was broad.

2.4.3. Balancing theoretical sensitivity and openness to data

The previous sections mentioned the importance of sensitising oneself to what is emerging in the data through a variety of sources, while also maintaining openness to the data (Locke, 2001). As

Suddaby notes, “the reality of grounded theory research is always one of trying to achieve a practical middle ground between a theory-laden view of the world and an unfettered empiricism” (2006, p. 635). Therefore, in addition to a *tentative* research question and a *tentative* exploration of the literature, within grounded theory, the importance of making the familiar strange and remaining creative throughout the research process is often emphasised (e.g. Charmaz, 2006; Glaser, 1978; Glaser & Strauss, 1967; Strauss & Corbin, 1998a). Throughout the research processes therefore, in addition to the “standard” grounded theory methods of comparative analysis and theoretical sampling, I sought to aid this continued openness to the data and the process by adopting certain yoga practices such as meditation, deep relaxation and yantra⁷ colouring while analysing the data. Such practices helped stimulate lateral thinking and creativity throughout the study (Gummesson, 2000). For example, by doing a deep relaxation meditation before reviewing the interview data (again), I remained “fresh” to the data. At times it is easy to become stuck in worrying about the analysis and the amount of work still to be done, which creates stress and impedes openness and creativity. Regular meditation practice helped me to stay present and relaxed. Also, I experimented with different ways to see the data “anew” and stepping away from already developed codes, categories and relationships. As I wrote in the research diary, “To keep my attention on the interview in a different way, I *listened* to the interviews rather than reading it while colouring yantras at the same time. It worked pretty good as it keeps me in the moment!” (08.02.11). In particular, if I suspected I was missing something important, or felt as if I was stuck in a (sometimes quite subtle) train of thought, I would re-review the original data and attempt see their (pre-analysis) wholeness again.

2.4.4. Researcher/participant relationship

Within the grounded theory method as described by Glaser and Strauss there is a (mostly implicit) understanding that the researcher is the “expert” who does research “on” social actors and the phenomenon (Bryant & Charmaz, 2007a). This approach to the researcher/participant relationship did not suit my own beliefs. As outlined previously, in my understanding the researcher is part of what they study, not separate from it (Charmaz, 2006). In addition, I believe there is a connectedness to our existence in that we are not separate beings but rather joined together through our shared humanity. This belief is reflected in my preference for ways of thinking and acting that go beyond individual traits and roles, and that embrace equality and unity between

⁷ Yantra is a geometrical form used in meditation. The literal meaning of the Sanskrit word is “device for holding of fastening” the attention (Source: New Oxford American Dictionary)

human beings. Therefore, in my approach to the research participants and the interviews I was inspired more by action research methodology (Dick, 2006, 2007), than “traditional” grounded theory. From an action research perspective, good and relevant organisational knowledge is not generated by understanding organisational members as “subjects” and by doing research “on” them, but rather through participation of the researcher “with” members of the organisation on matters which are of concern to them (Flood, 2001).

Interestingly, even though I brought this focus to the study, I discovered after a few pilot interviews that on a subtle level I was actually doing research *on* participants. This became clear after a particularly difficult interview that did not flow, did not seem to elicit many in depth data and during which I had felt a “distance” between the participant and myself. While preparing for the second interview with this participant, I reflected on my approach within the past interviews and what I could do differently for the coming interviews. I realised that I had brought a slightly cynical and negative mind-set (which is explored in more detail in Chapter 5) to the previous interview, which was reflected in thoughts such as: “He is just telling me their marketing story; I bet they don’t really care about their people”. As I wrote in the research diary later, “I do get stuck in thinking about, but does he *really* only care about people? ... does the company *really* just exist to serve?” (01.08.09). Even though it is important to have discrimination, this particular mind-set in a subtle, but real way closed me off to the wisdom and beauty of the participants: their story, their deeper truths and their experiences. And it inhibited me from being truly open to what might emerge between me and a participant. From that point I made an explicit intention to approach each interviewee with love and compassion, as a fellow human being who, like me, makes a genuine effort to do “the right thing” and simply tries to follow his dreams. One of the ways in which I made this intention explicit was by adding the following reminder to the beginning of each interview guide: “Connect with a feeling of compassion and love, and the idea that they are trying from a good place. Let them talk about the good things and accomplishments; move to more challenging issues from there”⁸. As I “applied” this intention to the second interview with the participant mentioned above, I experienced a shift towards increased openness and trust between the participants and myself. This supported the intuition that the quality and depth of the interviews was directly related to my intentions within that interaction. Unfortunately often intentions or assumptions within any interaction remain hidden and as such, no conscious choice for another intention can be made. Once I consciously

⁸ Naturally, this focus on “the good” did not mean I did not stay attentive to discrepancies between their good intentions (or “claims”) and their actions. I continuously asked for practical examples when any claims were made. The notes to myself before each interview read: “Be very clear that I need practical examples. I want to stir them towards experienced-based answers and get an idea of practices”.

stepped away from understanding participants as business people who would potentially be untrustworthy in their responses, and truly embraced them as human beings who, in all their human strengths and weaknesses, had struggled and fought to create something “good” or “worthy” with their business, my interactions with them “humanised” as well. In my experience, this did not “weaken” my capacity as a researcher but strengthened it, as, within this humanness, a whole range of experiences, including challenges, could be expressed.

This action research approach to the researcher/participant relationship was also reflected in that I did not present myself as a “neutral” researcher who does not share or expose any of her own beliefs, feelings or experiences during the interviews. At the same time, I was conscious of not sharing, and potentially influencing, too much, by adopting a quiet and open attitude in the interviews. In a way, a certain degree of sharing was almost inherent to this particular research topic as I found that my interest in values-driven business and the participant’s motivation to run a business based on values stemmed from a similar set of beliefs about what is important in life, resulting in an immediate “common ground”. This, combined with my ability to connect with people relatively quickly, generally established an instant depth within the relationship as well as an atmosphere of sharing and trust, which to some extent blurred the boundaries between personal and “professional”. Within the conversations personal experiences, values, beliefs or feelings were shared from both sides. For instance, for many participants their business, and what they sought to achieve with it, was very close to their heart. This meant that the trials and triumphs of the business generally felt quite personal and at times participants displayed strong emotions when recounting stories or experiences. This kind of sharing contributed to the depth of the relationship and potentially to the kind of data collected. Hall and Callery (2001) confirm that empathy, affirmation, self-disclosure and finding a common ground helps to develop trust within the participant/researcher relationship. Such trust and depth is important in terms of rigor in a grounded theory study as “unless a relationship of trust is developed with participants, confidence is undermined about whether the research findings accurately represent what is significant to them” (p. 267).

On a more practical level, when asked (and when permission was given from both sides), I would connect different participants with one another, as several showed a keen interest in sharing experiences with similarly-minded others. In addition, if asked for advice on a particular business matter, I would generally answer. As an example, one participant expressed his challenges in encouraging employee participation within the business and asked me to share my insights with him, to which I complied. He said,

It would be interesting for you to talk to [the HR manager] because you obviously ... have some experience with this sort of stuff ... it sounds like you have been up close to some of these issues [Later on in the interview] I would be interested in what you think, given the size of the business and so on, what would be reasonable to do in terms of systems.

This focus on practical, social action expressed my desire for this research to be of practical use to these businesses, and, as mentioned before when discussing relationality in the quality section, this also engaged the participants more fully in the dissemination and development of research findings which will increase the rigor of the research process (Glaser & Strauss, 1967; Hall & Callery, 2001).

2.5. Data collection

Before discussing the different phases within the data collection process, it is important to note that within the grounded theory method the data collection and data analysis processes are interlinked. The grounded theory process is characterised by iteration; data collection and analysis are not separate processes in the research, they proceed simultaneously, repeatedly referring back to one another (Bryman & Bell, 2003; Locke, 2001; Suddaby, 2006). Core to this iterative process, and to the grounded theory method in general, is constant comparative analysis (Glaser & Strauss, 1967; Strauss & Corbin, 1998a; Willis, 2007). Constant comparative analysis is the joint coding and analysis of data incidents and spans the entire study from naming and assigning meaning to individual data incidents through to the completed theoretical framework (Glaser, 1992, 1998). The constant comparative process results in a constant oscillation between testing emergent theory and collection and analysis of data (Bryman & Bell, 2003; Glaser, 1992). It is the iterative process of moving back and forth between empirical data and emerging analysis that “leads researchers to examine all possible explanations for their empirical findings and emerging analysis makes the collected data progressively more focused and the analysis more theoretical” (Bryant & Charmaz, 2007b, p. 1). Therefore, even though there is some progression in the focus of the analysis (from the concrete descriptive to the more abstract level), different stages within collection and analysis are not linear or sequential but rather are repeated throughout the research process. The iterative and somewhat “messy” nature of this process creates a challenge for the presentation of the research process (Suddaby, 2006); in its pure form it would be presented “as a jumble of literature consultation, data collection, and analysis conducted in ongoing iterations that produce

many relatively fuzzy categories that, over time, reduce to fewer, clearer conceptual structures” (Suddaby, 2006, p. 637). However, since such a description would be incomprehensible to the reader, I discuss the data collection and the data analysis process sequentially. Within the data collection section, to account for the choices made during the data collection (e.g., in relation to the sample or the interview questions), I include some key analysis points as well.

For an overview of the data collection and analysis process, see Appendix 1, where a visual presentation is provided. As indicated, this is (necessarily) a simplified presentation of the research process. One example would be that, even though they are presented separately, data collection, memo-ing and coding would happen simultaneously. For example, I made notes, did analysis, reviewed interview guides throughout the interviews, not just after all of them were completed. In addition, even though this does not show in the diagram, throughout the research process re-examination of earlier data took place.

One more general note: Throughout the research I made use of a research diary, in which I noted thoughts and ideas; decisions; questions; interesting bits of literature; emotions and concerns; as well as memos on analysis and the description and development of codes and categories. In relation to in particular the latter two, grounded theory literature makes reference to “memo writing”, which refers to the capturing of ideas in process and progress; this is seen as the intermediate step between the collection of data and the writing-up stage and is seen as a core stage in the process of generating theory (e.g. Charmaz, 2008, p. 166; Glaser, 1978, 1992; Strauss & Corbin, 1998a). Glaser describes memos as “the theorizing write-up of ideas about codes and their relationships as they strike the analyst while coding” (1978, p. 83). Given the relevance given to such memos within grounded theory, at certain points in this chapter I use excerpts from the research diary as illustration.

Within the data collection process I have distinguished four phases characterised by the “sample” used in each phase: Phase 1: Orientation; Phase 2: Pilot interviews; Phase 3: International interviews; and Phase 4: Additional interviews. In the remainder of section 2.5 I explain the sampling and data collection choices made within each of these four phases. In the next section (2.6) I then provide more depth to the analysis process.

2.5.1. Phase 1: Orientation (2008 – early 2009)

Within the first phase, orientation, the initial focus of the study was determined. There were two main parts to this. One, as mentioned earlier, a broad review of the literature was done to develop the initial research question, give focus to the research, as well as ensure its originality. Second, I decided to have some orientating conversations. These conversations were conducted with “inspirational” people working in the field of sustainability/corporate responsibility/social entrepreneurship, and included owners of sustainability-focused businesses, academics, professionals connected to sustainable/ethical business networks and a sustainability advisor (consultant). The conversations had two main purposes. First, from the outset it was of great importance to me that the study would have practical relevance, I wanted to ensure, therefore, that in my thinking about the research in general, and the questions for the pilot interviews in particular, I remained sensitised to the practical “reality”. Second, it would allow me to gain some experience in doing interviews and give me an understanding of what kind of questions might work and which questions would not. It is important to note that the people involved were not part of the “official” sample; these were “personal” conversations with friends, or friend of friends.

The first round of orientating conversations took place mid 2008 with seven people from New Zealand; the second round took place at the beginning of 2009 with three people from The Netherlands. I included The Netherlands not only because I had some interesting contacts there, but also because I was interested in gaining some background information on the corporate responsibility “climate” in The Netherlands as this might sensitise me to the contextual aspects of these businesses. In particular, at that time the recession had hit The Netherlands quite significantly and I was interested in whether this had influenced the commitment to corporate responsibility.

The conversations were about one hour long and were conducted face-to-face (New Zealand) and over the phone (The Netherlands). As I was interested in seeing what might “emerge” spontaneously in relation to corporate responsibility or sustainability, I defined some broad questions but allowed the conversation to go its natural course. These questions can be found in Appendix 2.

After the conversations, I did a broad analysis: I identified comments that stood out to me; noted preliminary ideas and grouped these together in recurring, preliminary “themes”. See Table 2.1 below for an illustration of such notes; this table represents some of the themes that I considered important towards the end of the orientating conversations. The information in the table is derived from a particular research diary memo made at the time.

Table 2.1: Preliminary themes arising from orientating conversations

Theme/Topic	Description	Reflections for interviews
Business and personal/spiritual evolvement are highly interrelated	Business and spiritual evolvement are very much interrelated for these entrepreneurs who come from a “heart place”. It seems that it is not useful to just talk about the business side. E.g., mistakes or tensions might have been challenging, but they see it as interrelated to their personal growth. The ideal of the business is the way you are wired, something you live and success is the journey.	If I want to research this kind of business, I need a different way to ask and talk about these their dreams, philosophies, challenges. E.g., the “business” focused interview questions won’t get to the heart of it. If business and spiritual evolvement is interrelated for these entrepreneurs, it does not do justice to their reality, nor will it apply to the depth of it, by talking about the business side as separate from their personal and spiritual journey. Simply asking questions about “business” would refer to a one-dimensional reality/world, and theirs is <i>not</i> a one-dimensional reality. It will require more intuitive interviewing. It also means I need to play around with how to ask questions about tensions between business commitments and other commitments. Also, the current business language is not compatible with the “integrated” process of these entrepreneurs. The current language of business is one-dimensional/linear, their language is circular/feminine, an integration of creativity/spirituality/commerce/heart. Using just business language would be alienating in the interviews.
Support needed beyond the business of business	The support needed for these businesses goes beyond the business level, they seem to need help with the sustainability of the self, which has to do with having time, fun, a life, not feeling so burned out.	I have been thinking about it all too simply. They might need help in holding their creative “heart space” in the business world? Should ask a bit more about this in the next interviews.
The new business paradigm/model requires a complete change of business	From what they said, the new paradigm of business will not be just an adjustment to the old business paradigm; it will be a complete change. The new work paradigm cannot be seen as separate from the personal spiritual journey. It is the integration of work (see also the points of concordance of Simone Weil): so work becomes a part of the personal/spiritual journey, a vehicle, but also a way to express and manifest ideas. The “heartjoy” of creating and manifesting through work.	If I am to describe their business model, it needs to take all the dimensions into account that these people/businesses experience. If it does not, it will be useless for them. Ensure I create a full understanding of all that is involved in their business for them.

These reflections influenced the formulation of the pilot interview questions but also sensitised me to *how* I asked participants about their business experiences. As an example, and as illustrated by the comments of Table 2.1, I realised that being too “business-like” in my questions, tone or language, would not only be alienating for participants but would also fail to do justice to their multi-dimensional (e.g., beyond just the business dimension) experience of business. The conversations made me aware that if I was to understand the reality of these businesses, both the questions and the language used should not just be orientated to the business of doing business, but should go beyond a focus on business strategies, practices and the like, and acknowledge the deeper, human level these people were hinting at.

2.5.2. Phase 2: Pilot interviews (July 2009 – Nov 2009)

In phase two of the data collection, pilot interviews were conducted. The purpose of these interviews was an initial exploration of values-driven businesses focused by the initial research question, which, as previously mentioned, read: *How do values-driven businesses realise their values and commitments amidst the complexity of organisational life?*

The pilot sample: The pilot sample for this research consisted of five senior-level managers/owners of exemplary values-driven businesses in New Zealand. I sought businesses that were “exemplary” or “outstanding” in their values-driven pursuit; not only because I anticipated that their CSR practices would be progressive (and therefore inspirational) but also because the complexity that I was interested in would be more pronounced in exemplary values-driven businesses. For instance, a business that is “kind of” values-driven, and only pursues social or environmental values when it is convenient might not face the complexity of having to choose between one commitment or the other.

The initial choice for managers/owners rather than organisational members in general, was based on the assumption that senior-level managers/owners are more likely than other organisational members to have a deeper understanding of the reasons why the organisation exists and what is of core importance. In addition, they would have a strategic overview of the organisation and the complexities facing the organisation. They are also more likely to have experienced a wider variety of complexities or challenges. At the same time, a focus on senior-managers/owners also has some potential drawbacks; for example, senior-managers/owners are generally more difficult to recruit for a research project due to time and availability constraints. Also, senior-managers/owners might be quite apt in providing “politically correct” answers rather than true insights. It is important to

mention here that this focus on senior-managers/owners does not imply that I understand senior-managers/owners to be more important than other organisational members. I was well aware that a primary focus on senior-managers/owners would only provide part of the story (Bouchikhi, 1998), in particular since complexities and challenges are most likely experienced on all organisational levels. However, when it became clear that ethnographic research (which would have made it possible to research complexity on different organisational levels) would not be an option due to access constraints, I decided that for the reasons listed above senior-managers/owners were in the best position to explore the initial question with.

The selection of the sample was therefore based on the following elements: *Senior-level managers/owners of exemplary values-driven businesses*. As mentioned in the introduction, this research understands a values-driven business as an organisation that views its commitment to social or ecological values (or both) as *key* to their core business, while at the same time wanting (or needing) to make a profit. It was accepted that the relative focus on social or environmental values may differ per business. For instance, at the time of selection⁹ some businesses may have placed more focus on applying or promoting social values (e.g., promoting social justice, equality), while others may have had a strong focus on environmental/ecological values (e.g., betterment of the natural environment, minimising ecological impact). Similarly, it was accepted that this focus may, at the time of selection, be more internally (e.g., employees) or externally (e.g., society) focused. Whether a business was “exemplary, values-driven” was assessed in the following way.

- I. The organisation had expressed its commitment to environmental/social values *and* that these are *core* to its reason for being in a written statement (either on its website or in other official corporate communication). Because of the differences in terminology used by business (not every business may use the language of being “values-driven”, some may refer to having “a purpose beyond profit” instead) I reviewed the (part of the) company statement that best answered the question “why do we exist?”.
- II. The business is recognised as being exemplary in its values-driven pursuits. I selected businesses that had *multiple, expert* “recommendations” of being exemplary. An “expert” recommendation could be a personal recommendation from someone with extensive experience in the field of CSR/sustainability (e.g., the CEO of a national sustainable business network, or an internationally published author on responsibility in business). An expert recommendation could also take the form of the business having won a (nationally

⁹ As is discussed in Chapter 5, this “main” focus within a business tends to shift over time.

recognised) responsibility, sustainability or “green” award. To be considered for the sample, the business needed to have *multiple* recommendations. In other words, if only one CSR expert would consider business X as exemplary values-driven, but this was not confirmed by another expert or an award, they would not be considered. With this requirement of multiple recommendations I sought, similar to Weinberg (1998), to select businesses that *most* people had agreed were exemplary, and also “to weed out” those that were more contested in their pursuits. While within the process of considering businesses for the sample there were none that were “disputed” as such, there was one company that was recommended by an “expert” but received no further recommendation from others or “rewards”. This company was not accepted within the sample.

This second point was added as corporate discourse (e.g., statements and reports) on issues like “sustainability” or “social values” are frequently a form of corporate PR or green marketing, and does not reflect the organisation’s true purpose or commitment (Hollender & Fenichell, 2004; Milne, Kearins, & Walton, 2006; Milne, Tregidga, & Walton, 2003; Saha & Darnton, 2005). The emergence of terms like “greenwash” reflects an

Increasing apprehension that at least some corporations creatively manage their reputations with the public, financial community and regulators, so as to hide deviance, deflect attributions of fault, obscure the nature of the problem or allegation, reattribute blame, ensure an entity’s reputation and, finally, seek to appear in a leadership position. (Laufer, 2003, p.255)

Even with this second point, however, it is recognised that any selection will still be contentious (Bansal & Roth, 2000; Devinney, 2009; Weinberg, 1998), and that there are no clear lines between being “kind of” values-driven or being “truly” values-driven. In addition, it is acknowledged that it is not easy to determine “the degree of values-drivenness” from “the outside”. At the same time, it was *expected* that there would be variances within the sample in the extent in which organisations are driven by their social or environmental values, and that these variances would be reflected in the data.

As a final note here, it could be argued that a values-driven business should provide a socially or environmentally beneficial *product or service*. However, in my understanding, that what defines a values-driven business is not necessarily its product or service, but rather the purpose of the

business, which might be reflected in the product or service but also in its processes and practices (Hollender & Fenichell, 2004). At the same time, I did exclude businesses that have a product that is clearly “harmful”, such as tobacco companies. The pilot sample is described in Appendix 3.

Data sources: Within this phase two interview sessions took place with each of the participants, which ranged in length from one to two-and-a-half hours. Data were collected through semi-structured interviews. Unlike structured interviews, which are guided by a set of pre-established questions, semi-structured interviews are less rigid and allow for an in-depth exploration of the research topic with the participant, as well as the joint construction of meaning around the research topic (Bryman & Bell, 2003; Easterby-Smith et al., 2008; Esterberg, 2002). These sessions were recorded and subsequently transcribed verbatim.

It could be argued that it is not an ideal situation to use interviews as a data source, because such data are collected through post hoc recollection and rationalisation of the participant, rather than at the point of happening (Huxham, 2003, p.240). The main advantage of the latter being the first hand account of experiences, while data collected through post hoc recollection might not reflect what the participant really experienced or felt at the time and might be less rich as participants will have forgotten certain aspects of the situation (Argyris & Schon, 1974; Huxham, 2003). However, the collection of data at the point of happening would have required a research method like ethnography which, as explained in section 2.2, was not a feasible research strategy.

As reflected in the initial research question, it was expected that the businesses would face a complex reality in which they would experience various contradicting and competing demands and commitments. It was therefore anticipated that these businesses would face conflicts and would have to make difficult decisions, which, at times may have led to compromises to the core values and commitments. While I was particularly interested in these situations of conflict and compromise, I also considered that this could be a sensitive topic for participants. I anticipated that participants may not be open and forthcoming about conflicts and compromises; either because they would not want information about compromises coming out or, on a more personal level, because they could be ashamed of them. To address the first concern, and to ensure that this concern would not impede on what participants shared, I told all potential participants that they would remain anonymous and that the data would be treated confidentially. An added advantage of a “blanket rule” of anonymity was that this would “weed out” those participants that sought to use participation in the research as a way to “advertise” their company. While one participant

commented on it “being a shame” that they could not connect their name to a research on values-driven businesses, no one declined on the basis of this anonymity. In order to ensure anonymity in the presentation of the data, I have changed the names of both interviewees and businesses in this thesis. In addition, for some I have changed the industry and the country their business is located in as well. The reason for the latter is that in particular New Zealand is a relatively small country, which makes for easy identification of businesses.

In particular for high quality data on sensitive topics it is very important to establish a personal rapport between the interviewer and interviewee (Rossman & Rallis, 2003). It was therefore deemed imperative that the sessions with each of the participants took place in a face-to-face setting.

The data collected *before* the interviews were secondary data. In preparation of the interviews, I evaluated the background data about the participant and his or her organisation on the basis of their relevance to the research topic (Coghlan & Brannick, 2005). I used secondary data like published interviews with the participants, books about the organisation and (online) corporate reports.

In the first session I focused on creating a broad sense of what these businesses are about. This included: eliciting background information (both as a warm-up to the conversation as well as to create uniformity in the basic information I had on each business); gaining a general understanding of the core values/commitments and purpose of the business (this would also include an exploration of the vision for the business, “un-compromisable” values, as well as who decided on values and commitments). As I wanted to know their values-in-action, rather than just their espoused values, I encouraged the use of practical examples. Also, to encourage the expression of actual “lived” experiences within the business, as well as to develop understanding of how the company values/commitments/purpose developed over time, I asked them about their journey with the business. In addition, in this session I sought to explore whether they experienced tensions, dilemmas or other complexities. An example of a pilot interview guide for the first session can be found in Appendix 4.

The interview guide for the second session (see Appendix 5) was inspired by a review of the data of the first interviews. In the second session, I sought to clarify certain unclear or unanswered elements of the story or journey with the business, and explore participants’ assumptions (an example of the latter, is question 2b in Appendix 5. In addition, an analysis of the first interviews led to some initial codes, categories and “themes”, which I would explore in the second interview. For example, from

the first interviews, I developed initial categories such as Self-referencing, Collaborating and participating, and Using intuition, which I then explored further in session 2. As an example, find below a (shortened) research diary memo (03.09.2009) on Self-referencing, which led to for example question 3 in the second interview guide.

Self-referencing: Looking inside for answers

Very interesting, I just found myself writing this while reading participant A¹⁰'s interview: A mentions that the root cause of our current problems is the individual and the lack of self-referencing of people. We tend to conform to the single body of thought which used to be religion and which is now the economic values system. So instead of referencing the "self", we rely on the economic belief system to tell us what is the right thing to do ... Self referencing is mentioned by participants like B and C as well, and I feel it might be of importance.

Self-referencing refers to questioning things like: Who am I? What do I believe? What do I know to be true? When referencing the self, we have to open ourselves up to emotions, feelings, intelligence. To quote Tom, "So we have to acknowledge all that kind of stuff, we have to open up to the emotional world that's inside of us. To open up to what's in your heart, the values, the intuitive aspect, the god part of you or the spiritual part of you. If you allow all of that, and then suddenly ... You can actually become bigger than the world not smaller than the world, you no longer have to be the victim".

For A, B and C (unsure of D) this idea of the human being as a conscious and self-referencing entity appears to be central and essential. The organisation itself becomes a self-referencing entity which makes conscious choices There are different "levels" of self-referencing that arise in the interviews: on the level of the founder; employees; external stakeholders I wonder whether this concern with self-referencing is translated into actual practices within these business.

While I gave two specific examples of pilot interview guides in Appendixes 4 and 5, it should be noted though that these guides changed and developed during the pilot interviews depending on what worked in terms of questions and their formulation, as well as on what insights or questions arose in the interviews and the analysis. The latter relates to another core process of grounded theory, the application of theoretical sampling (Glaser & Strauss, 1967). Theoretical sampling refers to "the process of data collection for generating theory whereby the analyst jointly collects, codes and analyses his data and decides what data to collect next and where to find them, in order to develop his theory as it emerges" (p. 45). In other words, theoretical sampling means seeking and collecting pertinent data to elaborate and refine categories in the emergent theory (Charmaz, 2006, p. 96). Within grounded theory, therefore, the process of sampling is aimed at theory construction rather than at population representativeness (Charmaz, 2006; Glaser & Strauss, 1967; Strauss &

¹⁰ As mentioned previously, to ensure anonymity I also changed the countries for some of the businesses; this however means that I cannot use the synonyms here since that would give away who was in the pilot sample and therefore is situated in New Zealand.

Corbin, 1998a). This also means that sampling decisions are not restricted to the initial research design stage but are a continuous concern throughout the study. As such, none of the interview guides were “set” or “final” but continuously in development: as insights emerged and initial codes and provisional categories were developed, I compared them to and tested against new data within the next round of data collection. Through this process some provisional categories naturally dropped away, while others came to light or gained more depth. For instance, in earlier interviews I explored the idea of “conscious choice”, as one participant had hinted at this concept, and its relevance to “being values-driven”; however, in subsequent interviews I found the concept was too abstract to address in the interviews, and it naturally fell away.

2.5.3. Phase 3: International interviews (Feb 2010 – June 2010)

After the pilot interviews and the analysis of these data, further sampling and data collection decisions were made.

The international sample: Subsequent sampling decisions were influenced by the analysis of the pilot interviews and the development of tentative categories.

To further test tentative categories a continued focus on senior-level managers/owners was deemed appropriate as this was generating rich interview data. In addition, I considered that a broader scope of businesses with similar criteria to the pilot sample would allow for deepening the understanding of the businesses. I made three adjustments to the criteria. One, in the next sample, I ensured that only 20% of the sample had less than 50 employees. The reason for that was that while I wanted to include a few smaller companies in the sample, I wanted to gain a deeper understanding of the complexity of these businesses related to their interactions and experiences with employees. From my experiences with the pilot sample, I gained more insight about this “internal complexity” from the larger businesses than from the smaller ones. Two, in addition to *current* senior-level managers/owners, I decided to also give consideration to senior-level managers/owners who had recently (within the last five years) stepped down from their position within the business but had spent a considerable amount of time building the organisation. The main reason to include “ex” senior-managers/owners was that even though they retired from an active position within the company, they generally were the (ideological) driving force behind these organisations and have a wealth of experience that is invaluable for this research. In addition, it was expected that, having stepped away from an active position, they would be more reflective on their journey with the company and less bound to “political correctness”, both of which could lead to rich and interesting data. Three, the different concepts arising from the data kept pointing toward a deeper reality

underlying these businesses; something, which I suspected, transcended the individual characteristics of the businesses (such as their size, industry and nationality) and reflected a deeper “human” level. To explore this, I sought a sample that went beyond characteristics such as product type, industry and nationality and selected senior-level managers/owners of exemplary businesses from different industries and from a range of countries. A choice for an international sample also assisted the adherence to the criterion of size/internal complexity, in that within New Zealand alone there were not many organisations that would fit the sample requirement of internal complexity, in other words, I had not found many New Zealand values-driven businesses that were exemplary *and* had more than 50 employees. Finally, an international sample assists in securing confidentiality for the research participants.

As explained at the end of the previous section, from a grounded theory perspective, each subsequent sampling decision should be determined by the emerging theory and, as you do not know what categories will emerge from each data collection, flexible, open-ended theoretical sampling is the ideal (Charmaz, 2006; Glaser & Strauss, 1967). However, in this project I had to put some pre-defined boundaries around the international sample for several practical reasons. One, a full international research sample needed to be described and confirmed in principle to apply for research funding. Secondly, the full international research sample had to be determined to plan for the travel (and its associated costs) involved in this phase of the data collection. This meant that both the size of the international sample (15 businesses), as well as which particular businesses were included, were predetermined.

The international sample consisted of twenty senior-level managers/owners of exemplary values-driven businesses from the following countries: The Netherlands (5 participants), United Kingdom (5) and United States (5). These were all “Western” countries as I felt that adding “Eastern” countries would add another dimension to a research project which already showed a high level of complexity. In addition, these specific countries were chosen as English is their main language. The Netherlands was included as I am fluent in Dutch and for the practical reason that The Netherlands is geographically close to the United Kingdom. For the full international sample see Tables 2.3 to 2.5:

Tables 2.3 -2.5: The international sample¹¹

The Netherlands							
Company name	Industry	Founded	Employee number	Ownership structure	Participant Name	Founder	Position
Prometheus Bank	Banking services	1987	170 (2008)	Publicly traded. In 2011 the bank was sold to a larger national bank.	David Verbeek ¹²	Co-founder	Chairman
					Thomas Jansen	No	Director of Consumer Banking
The Owlery	Designer and retailer of eco-fashion	1990	15	Privately owned by founder	Pippa Lee	Yes	CEO; The Owlery went into liquidation in February 2013
Everest	Professional head/hand torches and site lighting solutions	1976	180	Was privately owned; majority held by founder, rest by family and an associate	Mark van Wieringen	Yes	Was CEO; Marc sold Everest in 2009
Eden Breads¹³	Commercial bakery	1992	145	Privately owned by founding family	Paul Dircks	Yes	Chairman. No longer active in day-to-day management.
Landrijk Insurance¹⁴	Personal and commercial insurance	2007	650 (2008)	Privately owned: 51% by a private equity firm and 49% by employees	Steven Verreden	No	CEO

United Kingdom							
Company name	Industry	Founded	Employee number	Ownership structure	Participant Name	Founder	Position
Mulberry Grove Organics	Retailer of natural and organic products	1991	100 (48 FTE)	Privately owned by founding families	Marianne Peters	Co-founder	Managing Director

¹¹ Details correct at the time of the interviews (early 2010) unless stated otherwise.

¹² Both participants were present for both interviews.

¹³ I have replaced the Dutch word “brood” with the English equivalent “breads”.

¹⁴ I have replaced the Dutch word “verzekering” with the English equivalent “insurance”.

Whitcoulls Bank	Banking services	1960	100	Owned by publicly held bank; holds separate banking license and operates on fully independent basis	Rob Benjamins	No	Director of Sustainability policy
Affinity	Women's fashion designer and retailer	1984	920	Privately owned; founder holds about 70%, rest is employee-held	Kay Holmes	No	Vice President for Social and Environmental Consciousness
The People Solutions Group (PSG)¹⁵	A gardening services company; an administrative service and a training centre	1999	64	Privately owned; founder is majority shareholder and a minority by charitable foundations.	Donna Scott	Yes	Managing Director
Phoenix panel and paint	Automotive painting and panel beater work shop	2007	16 (2009) – majority of employees is deaf	Privately owned by founding families	Brian Lovegood	Co-founder	Statutory Director

United States							
Company name	Industry	Founded	Employee number	Ownership structure	Participant Name	Founder	Position
Pure	Organic beverages (e.g., juices, smoothies)	1982	2300	70% is publicly traded; 28% held by founder; rest by employees	Alex Bradshaw	No	Vice President Corporate Sustainability
Brougham Group	Manufacturer of power tools and components for automobile industry.	1923	623 (worldwide)	100% employee-owned	Oliver Murphy	No	CEO/Group Managing Director

¹⁵ This company consists of three different “sub-companies” and initiatives. All are focused on integrating handicapped people into the workplace.

Green Valley Organics (GVO)	Organic farm and food retailer ¹⁶ . Serves multiple States through network of franchisees (regional farms).	1993	400	Privately owned by founding family.	Patrick Welch	Yes	CEO
Pendragon Brewers	Craft beer brewer	1880	68 (2008)	Privately owned by founding family	John deWaardt	No	Managing Director
Nature Foods	Manufacturer of nutritional supplements	1972	230 (worldwide)	Publicly traded.	Tim Watts	Co-founder	Director; no longer part of day-to-day management

The data sources: The data within this phase were again collected through two semi-structured interviews per participant (see pilot sample for specifications). The interview questions within this phase were focused by categories and preliminary themes developed during/after the pilot studies, and informed by the experience of what worked and what did not work during the orientating conversations and the pilot studies. For an example of interview guide one and two see Appendix 6 and 7.

Both the orientating conversations as well as the pilot interviews hinted at a challenge in “unearthing” conflicts and compromise. This challenge informed how I structured and worded the subsequent interview guides. In addition, it inspired the development of a tool (in the form of the Holistic Responsibility Framework) that would enable conversations about conflicts and compromises by normalising these conflicts and compromises.

This particular challenge and how this informed my approach in the interviews (in relation to both the wording of the interview questions and the framework), is discussed in detail in Chapter 6.

In planning the interviews, I allowed for time in-between the first and second interview with each participant so that analysis of the first interview could take place before developing the second interview guide for that participant. In practical terms this meant that, per country, I would travel to all participants and conduct all the *first* interviews. Upon completion of these first interviews, I would transcribe and analyse them, and use the emerging insights and conceptual categories to inform the subsequent *second* interviews. As with the pilot interviews, theoretical sampling was

¹⁶ Mainly through a home delivery scheme.

applied by adjusting the questions of the interview guides *between* the first and the second round of interviews (Locke, 2001), but individual questions were also adjusted *within* each round. This meant that, similar to what was mentioned in the previous section, that interview guides were not set in stone.

While traveling though, the time I could spend on analysis was constrained. I was generally able to transcribe all the first interviews in full and do an initial analysis; however, I did not have time to transcribe and analyse the second interviews in each country, before going to the next country. This meant that a significant amount of data, in particular related to the second interviews, was (re)examined upon my return to New Zealand. Again, from a grounded theory perspective, the ideal would have been to have “completed” the analysis of all the second interviews per country before commencing to the first interviews in the next country, but practical constraints did not allow for that.

2.5.4. Phase 4: Additional data collection (Feb 2010 – August 2013)

Finally, some additional interview and “conversational” data were collected through both convenience sampling and theoretical sampling.

Convenience sampling is generally not encouraged in grounded theory but some opportunities for gaining further insight into these businesses presented itself that were too good to miss (Bryman & Bell, 2003). For instance, as I arrived an hour early for my appointment with Brian from Phoenix, the opportunity arose to have an hour-long (unofficial) conversation with the general manager. While Brian is the statutory director and provided rich information on the strategic business level, this manager provided additional insights into the day-to-day business reality. Similarly, at Landrijk Insurance I met the just-appointed “business ethicist”; this was a newly created role focused on assisting Landrijk Insurance to maintain alignment with its values and commitments. At the time of our conversation, she had not yet started within this role, so we conversed about what she saw as the purpose of the role, the need for it and what she thought she could offer. As another example, a situation presented itself to have a conversation with a professional facilitator who had done some group facilitation work with Green Valley Organics around their values. While she was not part of the official sample, her insights provided extra depth to the official data.

In other cases theoretical sampling was applied. For instance, when certain insights emerged around how people within Affinity see their organisational reality, I sought contact with a business professor who had done extensive academic research at Affinity to help me to refine and deepen my

understanding of the related conceptual category I was developing. As a final example, I also did an additional interview with Pippa from The Owlery. Some time after the second interview, The Owlery had gone into liquidation and I anticipated that an additional interview would refine my understanding about conflict and compromise in values-driven businesses.

2.6. Data analysis

Before outlining the process of analysis, first some general comments about the data analysis.

In terms of transcription, to aid the analysis, all interviews (except for the conversations) were fully transcribed verbatim. Generally, this was done shortly after the interview. However, as described in the previous section under Phase 3, when traveling internationally, there was a limited time to transcribe and analyse. Therefore, all the first interviews were transcribed while traveling, as they provided the foundation for the second interviews, but the transcribing of the second interviews (and as such the detailed coding) was done upon return to New Zealand.

In terms of memos, straight after each interview I wrote memos to preserve and clarify initial impressions and ideas (Goulding, 2002). Throughout all the phases of the research process I continuously wrote memos and made other remarks in the research diary. In addition, throughout the analysis, I would refer back to earlier memos, compare them to others and in this way deepen my analytical understanding of the data. For instance, when I found that “humility” was recurring in the findings, I did a search through the memos in the research diary for “humility” (and synonyms for humility). This brought up humility-related thoughts I had written about, as well as quotes from various literatures. I would generally bring those together in one document and reflect on them in relation to the data.

As explained in 2.2, the end-objective of grounded theory is the generation of theory (Creswell, 1998; Glaser & Strauss, 1967). While in many qualitative studies, such as ethnography and phenomenology, the intended end-result is a form of thick description, in grounded theory it is imperative to go beyond a description of the subjective experiences of actors. The aim is to lift the analysis to an abstract level so that the developed theory has conceptual density and explanatory power over the phenomenon or area under study (Glaser, 2008; Glaser & Strauss, 1967; Goulding, 2002; Suddaby, 2006). Grounded theory emphasises that the processes of coding (the construction

of analytical codes and categories as they emerge from the data) and constant comparative analysis aids this theoretical development and “lifts” the data beyond description only. These processes

support[s] researcher discovery of important categories ... identifying the properties of those categories and relations between categories, the extension of discovered categories to higher levels of conceptualization or abstraction, and the arrangement of those categories in relation to each other. (Locke, 2001, p. 54)

In this research, the analysis started with a close reading and coding of the pilot interview data. I conducted line-by-line open coding, studying each line for their analytical importance, to identify a wide range of possible codes (Charmaz, 2006; Glaser & Strauss, 1967; Goulding, 2002). Especially in the beginning of the analysis, I approached this process quite linear and analytical, often making use of the qualitative analysis software application NVIVO. I coded quite diligently and somewhat neurotically. According to Suddaby (2006), a somewhat neurotic overemphasis on coding is a common characteristic of most efforts to use grounded theory. During this analysis of the pilot interviews however, it became increasingly clear that this process of diligent (computerised) coding impeded with a sense of joy and inspiration, and I started to feel removed from the data. I also experienced that through this way of analysing I lost the sense of “wholeness” in the data. As I wrote in the research diary (02.09.09):

Doubts about coding method

Not sure whether to proceed with making nodes/codes in NVIVO at this point. It does not feel right to dissect the different interviews into bits and nodes as NVIVO suggests (by coding word for word) Dissecting a whole into pieces and then trying to understand the whole through those pieces means that you come so close to the data that you can't see the whole anymore

It also feels that within the way I have been coding, you are pretending to be more rational than you actually are. I decide on whether the piece that I am coding starts here and not there, and I can link conclusions or insights to that. But if I were doing it on another day, I might not even code the quote at all, and the insights on another day might be completely different. And that is what I struggle with, I feel like that there is something that needs to come forth from the data but I doubt whether that happens through the way I am coding/analysing. When I am coding I experience I have a closed off mind and heart, I mostly see (and stress about) the work ahead, and get caught up in the detail of coding.

After these realisations I increasingly did more of the coding-related activities by hand. As the coding became more focused during the international interviews, I would copy the transcribed interviews into word documents with a comments column next to it. I would highlight

those words or sentences that appeared meaningful to me, and insert codes or comments about possible categories in the column. In this way I felt that I maintained the wholeness of the interview rather than breaking it up in parts. For an illustration, refer to Appendix 8, where I give an example of such coding-activities (categories are capitalised in the text).

In addition, after these realisations I became less rigid in the way I approached coding and consciously brought a creative, explorative element to the analysis process. As explained in section 2.4.3, I adopted tools that aided relaxation and allowed my mind and heart to open to what “wanted to come forth” from the data. In a way, this meant cultivating trust and being okay with ambiguity rather than seeking control over the analysis process by following rules or steps (Glaser, 1978, 1992; Suddaby, 2006). This is acknowledged in Glaser’s comment, “The researcher must have patience and not force the data out of anxiety and impatience while waiting for the emergent. He must trust that emergence will occur and it does” (1992, p. 4).

Using the constant comparative method, I compared the coded data incidents within, as well as between, the interviews to establish similarities and differences. This then gave rise to a great variety of tentative conceptual categories, which described a common meaning of the data incidents. Memos on ideas and tentative categories were written and reviewed.

The resulting initial and tentative categories were then used to organise the data. In Table 2.4 a few examples of such initial categories are given. The second column in this table gives examples of codes that “fell within” these categories. I have also included the final categories that such codes were later assigned to.

Such initial categories then allowed for more focused coding and data collection. As data were collected during the subsequent data collection phases, these initial categories were continually modified: old categories were refined or eliminated and new ones were created (Charmaz, 2008; Isabella, 1990). When new categories were defined I also reviewed older data to determine their accuracy in accounting for the data (Charmaz, 2006; Glaser & Strauss, 1967). This resulted in most interviews being reviewed multiple times (this is also demonstrated by the coding example given in Appendix 8, where the different colours indicate that coding took place on various points in time).

TABLE 2.4: Examples of tentative codes and categories

Tentative categories	Examples of codes	Final coding categories
Caring for employees	<ul style="list-style-type: none"> ▪ Extensive employee benefits ▪ Magnanimity 	Generosity (employees)
	<ul style="list-style-type: none"> ▪ Going beyond the professional ▪ Encouraging joy ▪ Personal dreams taken seriously 	Human needs (employees)
Unity with others	<ul style="list-style-type: none"> ▪ Seeing similarities not differences 	Equality between employees Partnership focus
	<ul style="list-style-type: none"> ▪ Creating connections between others ▪ We are community 	Business as enabler Interdependence
We are in the river	<ul style="list-style-type: none"> ▪ Values are not set in stone ▪ Constant change ▪ Always to come 	Emergent process
	<ul style="list-style-type: none"> ▪ Always adjusting old ways 	Learning and development
	<ul style="list-style-type: none"> ▪ There is no holy grail 	Perfection is an illusion
Self-referencing	<ul style="list-style-type: none"> ▪ Questioning 'who am I'? 	Participation requirements
	<ul style="list-style-type: none"> ▪ Finding inner truth 	Living authentically
	<ul style="list-style-type: none"> ▪ Unearthing values 	Reflection on "being"

Gradually, the predominant focus in comparison shifted from comparing data incidents to each other, to comparing data to the tentative categories and comparing these conceptual categories with one another. This continual comparison resulted in the categories becoming more "solid" and assisted the identification of the category properties, as well as the relationships between the categories (Glaser, 1992). As the relationships between categories became clear, I developed theoretical themes and became increasingly clearer on the story I wanted to tell.

For instance, in earlier stages of theme and theory development (mid 2011), I identified themes such as Business revisited: a love story; No company is an island; An inclusive language (secular and sacred); Serving employees; Leading the company together: collaboration and co-creation; The evolving business: permanent state of movement and change; The mirror: continuous self-observation. Over time, working and re-working these themes, I found that the developed themes and the theoretical framework increasingly felt more "right"; they described what I saw as important

in the data collected. As I became more confident about these themes I also did some additional data collection (see phase four of previous section) to check whether information was repeated and existing concepts were confirmed (Glaser, 1998).

At this point I also actively reflected back to the existing related literature. I compared the developed themes and framework with the existing literature noting similarities and differences (Glaser, 1998; Glaser & Strauss, 1967; Locke, 2001). This review helped me to further refine and sharpen the theoretical themes and framework. This increasing confidence in the theory developed brought me to a point where I felt I could seize further data collection and analysis. Patterns had started to repeat itself, and, in particular after my additional and very insightful interview with Pippa (about The Owlery's closing), I felt confident that my developed themes and theoretical understanding were sufficiently developed to account for, and be representative of, the research findings. Grounded theory refers to this as the point of saturation. At the point of saturation, gathering more data yields no further theoretical insights about the emerging theory and the analysis and gathering of data is brought to a close (Bryant & Charmaz, 2010; Gummesson, 2000).

The findings and resulting theory are presented over the following 5 chapters.

Chapter Three: Employee responsibility in values-driven businesses:

A human-centred approach

We treated our staff like human beings It's not rocket science. This is just absolute fundamental humanness ... we just ignored the regular kind of business approach We followed what was in our heart rather than doing what everyone else was doing. (Everest)

One of my big concerns about the future of business is that ... the company is always trying to pull as much as they can out of the employee and the employee is always trying to pull as much as they want out of the company ... it is a fight rather than a cooperation ... I am just trying to create a company where it's more like a cooperation between employees and the company, because at the end of the day you are spending a third of your life here and it should be like a harmonious relationship. (Aveda Organics)

3.1. Introduction: The “employee responsibility”- gap

Despite a growing interest within the management and organisational literature in corporate (social) responsibility (CSR), the literature remains relatively silent around the influence on, and the responsibility towards, the employee. When it comes to the internal social dimension of CSR, employees are generally mentioned within the context of stakeholders. Within the stakeholder concept there is overall agreement that employees are key stakeholders to whom the organisation owes responsibilities (Clarkson, 1995; Donaldson & Preston, 1995; Langtry, 1994; Mitchell, Agle, & Wood, 1997; Stoney & Winstanley, 2001). As Greenwood (2007, p. 316) explains, “even according to the narrowest of definitions, employees can be identified as high legitimacy (Mitchell et al., 1997), ‘claimant’ stakeholders (Kaler, 2002) to whom the company has perfect duties”. It is somewhat surprising therefore that “employees as the unit of analysis have received scant attention” within the CSR literature (Aguilera, Rupp, Williams, & Ganapathi, 2007, p.839; Davies & Crane, 2010; Rodrigo & Arenas, 2008; Whitehouse, 2006). As I explore in the literature section in more detail, those CSR studies that *do* address the employee as unit of analysis tend to focus on the *content* of practices (e.g., fair compensation or flex-time arrangements), while having limited consideration for the details and specifics of implementation. In addition, rather than questioning what may inherently or ultimately serve the employee, there is a tendency to focus on those employee-related practices that also contribute to improved organisational performance (win-win situations). Environmental issues tend to dominate the CSR literature and when empirical studies address the social dimension of CSR, the focus tends to be on “limited aspects of CSR, such as cause-related issues or philanthropy” (Lindgreen, Swaen, & Johnston, 2009, p. 303; Matten, Crane, & Chapple,

2003). When it comes to the social responsibility of the business therefore, the primary focus has been on CSR as a macro level activity that is externally focused, rather than CSR as a micro, employee-level activity focused on the internal environment (Orlitzky, Schmidt, & Rynes, 2003). This lack of attention is, at least in part, explained by the fact that employee-related practices are less visible to people outside the business and are possibly more complicated to implement than environmental or philanthropic practices (Collins, Roper, & Lawrence, 2010; Raubenheimer, 2008).

Within this chapter I address this important gap within the CSR literature. By exploring the employee-related practices adopted by the sample businesses I provide insight into what “exemplary” employee responsibility looks like on a practical as well as a conceptual level. I discuss practices in detail and consider them within the context of the internal determinants that motivate and shape them. In addition, by paying particular attention to the challenges described by the participants, this chapter gives insight into the requirements of implementing employee responsibility.

Section 3.2 provides an overview of the employee-related practices found within the study; this is followed by a reflection on these findings in 3.3. In section 3.4 I discuss some of the challenges of implementing employee responsibility as it was found in the study. In 3.5 the findings are placed within the context of the current CSR literature; which is followed by a discussion of the implications of these findings for both theory (3.6) and practice (3.7). The chapter concludes with a discussion of the limitations of this study in 3.8, and concluding reflections in 3.9.

3.2. Findings: Employee-related practices

While many of the participating businesses had formulated official company statements that clarified how they saw their responsibility towards employees (e.g., as part of values statements or corporate responsibility declarations), my starting point for understanding their perspective on employee responsibility are the actual practices they implemented. After all, statements about employee-related aspirations are meaningless unless they are translated into actions and result in actual employee-experiences. As many participants said repeatedly, “Words are smords” (Pippa from The Owlery).

The sample businesses showed an extensive range of employee-related practices. These are not

merely focused on preventing harm or providing equitable remuneration but on making a contribution to employee well-being. These practices fall into four main practice categories: *Remuneration and Work Arrangements*; *General Health and Wellbeing*; *Personal Development*; and *Collaboration and Involvement*. It is important to note that these practice areas are not necessarily mutually exclusive: they are related and, at times, overlap. While examples are offered in the text, illustrative quotations per category are found in Tables 3.1 to 3.4 in Appendix 9.

I use the word “practice” here as a general term to denote what these business *do* or *offer*, and this may include remuneration, employee programs, participative business structures as well as certain processes.

3.2.1. Remuneration and work arrangements

The practices in this category are generally of a financial or material nature and tend to focus on relatively distinct and tangible outcomes, such as providing a particular wage or assisting with a particular issue.

Remuneration includes wages as well as nonwage compensation or benefits, such as leave provisions or various forms of assistance.

Within the sample businesses it is common to offer a “living wage” rather than the legal minimum wage, as well as “beyond-cash” compensation, in the form of extensive health or life insurance and various medical benefits. As John from Pendragon Brewers said, “You do have to try and value people; honour them, so to speak. A decent salary is part of that because they need to be able to pay their mortgage ... we also consciously try to add other benefits to that salary”. As a reward for good work, but also to acknowledge the origins and culture of the majority of its staff, for instance, Eden Breads offered its work-force of 65 (at the time) and their partners a free flight to Turkey. In addition, many have generous profit-sharing plans in place and offer (discounted) company shares.

Also, the “leave” provisions of the majority of the businesses exceed national or industry standards. For example, while “the industry average in The Netherlands is [that] a teller trainee gets three weeks’ vacation, [at Prometheus Bank] all fulltime employees start with five weeks leave”. The importance of annual leave for the employee was reiterated by many of the participants

When my staff does not take a vacation [and] work all the time ... that's a problem ...
Because then the question is, are you saying that your children aren't important? ... that
your own time for reflection is not important? I think you have to be able to step back and
get out of your work. (Einstein's Cycles)

Many companies offer additional paid parental leave, which may include paternity and adoption leave.

Other recurring practices include (financial) assistance beyond the immediate work sphere, like retirement planning or retirement contributions; adoption assistance; or employee hardship assistance. Brougham Group, for instance, has a welfare committee. When, for example "you separate from your partner and ... are really struggling; you can't afford to pay the rent; ... or your car engine's blown up, you can come to us and we will give you a loan to help". While hardship assistance may take place through an "official" fund or committee, several participants had provided loans or other assistance to employees in a personalised or non-official way. As one participant, who did not wish details about the help provided to become public, said, "Sometimes [employees] get into real difficulties and we deal with that on a personal basis rather than on a company basis It is appropriate as a human being that you help where you can". Or, as Steven explained, "You see the tragic instances where things happen, where you take off your corporate coat and you put on your personal coat, which hopefully is the same colour, and you deal with it in a non-commercial way" (Landrijk Insurance).

In addition to this kind of personal assistance, several businesses combined their employee commitment with their environmental commitments by offering financial assistance when employees adopt "green" solutions at home, such as subsidising the purchase of solar panels, or by making a considerable contribution towards the purchase of a hybrid car as they do at Three Brothers. In addition, at Pure they offer Employee Residential CO2 Footprint Reduction programs to help employees develop personalised solutions to CO2 reduction. Similarly, to encourage sustainable transportation, several participants offer free public transport passes, or at Three Brothers they provide employees with a free bicycle after one year of employment.

Work Arrangements relate to, for example, flexible work arrangements and job sharing opportunities.

In relation to the first, this may include the option to have a compressed work week or the freedom to determine one's own starting times. For instance, Nature Foods developed a work-life programme that formalised flexible work arrangements so employees can adjust their hours to better balance work and personal commitments. PSG works with employees (most of whom have a physical disability) to create working hours that honour their personal circumstances and physical capabilities. Similarly, many businesses offered employees the opportunity to share a fulltime position with another employee, in particular as a consideration towards parents. As David from Prometheus Bank explained, extended leave provisions as well as flexible work arrangements are, "an acknowledgement that they have a life outside of banking: they could have a sick child ... [or] parents that they care for".

3.2.2. General health and wellbeing

The *General Health and Wellbeing* activities go beyond basic health and safety practices that serve to avoid harm, and instead aim to *contribute* to physical as well as non-physical wellbeing of employees. Within this category two subcategories are discussed: Physical Health Care practices and Holistic Health Care practices.

Physical Health Care relates to those practices offered to improve physical health and wellbeing. In addition to free or subsidised gym memberships, many companies offer on-site yoga or stretch classes, which allow employees to incorporate physical activity in their daily schedule. In addition, participants mentioned numerous wellness programs or activities. On-site (and company-paid) blood pressure screening, weight loss or smoking cessation programs, as well as on-site wellness activities such as massage therapy (e.g., Pure, Aroha Events) or sports activities (e.g., table tennis at Nature Foods) were commonly mentioned. The majority also offer incidental courses on, for example, Pilates or creative movement.

Many of the sample businesses offer some sort of "wellness benefit", to be used at the employee's discretion for health-related services or classes, or to buy "health supporting items" such as work-out equipment. Also, instead of the "standard" company canteen food option, at Aroha Events they provide a wide range of (free) fresh and healthy foods options to employees and customers. At Aveda Organics they established an on-site organic garden in which employees can work during

work time, with the purpose of not only exposing employees to organic foods but also give them a chance to be outside during the workweek.

Many of businesses made *Holistic Health Care* practices available. Holistic health care practices are generally understood as those focused on the wellbeing of the whole person, rather than on the sickness or the physical level alone. While these practices are sometimes seen as “alternative”, many of the participants see them as an important part of “self-care” and therefore seek to offer them to employees.

[The founder] really believes if you take good care of yourself ... that you will be more productive when you're at the office, that you'll have a happier life all around From that perspective she's always felt strongly about ... allowing people in the company to experience different kinds of practices that they might not experience outside. (Affinity)

Participants provided access to, for example, acupuncture, reflexology or Reiki, either by offering this on-site or by subsidising them. Also, they commonly offered wellness benefits to be used at employee's discretion to purchase such “holistic” services.

However comprehensive these holistic initiatives are, most companies offer *additional* practices to improve employee health and wellbeing. For example, participants mentioned on-site classes or programs that help employees bring moments of relaxation or reflection into their workday, such as on-site yoga, mindfulness and meditation classes. A few businesses (e.g., Pure) even had physical spaces where employees could retreat to, such as “quiet”/meditation rooms or yoga rooms. On a more subtle level, at Affinity for example, each meeting is started with a moment of silence. This kind of practice encourages employees to step back from busyness or everyday work activities, and creates, what many referred to as, “space”. Even if employees do not use such spaces or moments, they serve as a subtle message that creating space into the workday is encouraged. As Kay explained, it is “unspoken, visual ... as you pass it, you think, Oh we have got a yoga room! Even if you never go to yoga, you know it is there” (Affinity).

As also illustrated by an earlier quotation about the importance of vacation, taking space and stepping back to relax or reflect is taken seriously and seen as an important element to ensure employee wellbeing. Not merely because this serves stress reduction but also as it allows (or encourages) employees to stay present to their inner reality and therefore may increase self-awareness or inner clarity. This may not just improve work performance but also, as some

participants pointed out, helps employees to live with more purpose and meaning. As one participant said, “if you find space in your life, if you are spiritually fulfilled ... you will be more productive when you’re at the office [and] you’ll have a happier life all around” (Affinity).

Practices that give the employee “emotional” support were also common. This may come in the form of employee assistance programs or free/subsidised external counselling sessions for employees encountering personal problems (e.g., Landrijk Insurance, Einstein’s Cycles).

In addition, several businesses consciously adopted specific management structures to ensure that employee support was maximised. For example, at Aroha Events “everything is set up around making people feel good about themselves”; one important aspect of that, is that “we genuinely want everyone to have support”. Each staff member has a coordinator and a buddy, both of whom are there to provide support and pay attention to the employee’s happiness and wellbeing. The role of the coordinator “is slightly difficult to describe but they’re the closest that we have to a manager. We have kind of heads of departments and we have co-ordinators, and they’re not linked in any way”; since “people can choose who is their manager/co-ordinator [they] can make sure they have somebody who works for them” and supports them best.

Finally, on a structural level, several businesses had created internal positions or committees to guide the continued focus on employee health and wellbeing. At Nature Foods and Three Brothers, for example, they established employee-driven wellness committees, while at Affinity they appointed a Wellness leader, whose sole purpose is to ensure that the company vision for health and wellbeing is fully developed.

3.2.3. Personal development

Most businesses had adopted practices that support personal development, individual expression and growth.

This includes functional or work-related courses and training. In addition, a wide variety of training opportunities not directly related to functional roles were mentioned, such as lessons in horse riding or Spanish¹⁷. Many companies offer generous education benefits or tuition assistance that cover some or all of the costs, while some (larger) companies offer such courses on-site. At Phoenix Panel and Paint, which mainly employs deaf people, they seek to “educate people professionally but also

¹⁷ Please find additional illustrative quotations in Appendix 9.

socially". They found that, because of their disability, many employees lack practical skills, for instance in relation to managing their personal finances or housing, and "we are increasingly trying to provide some guidance from here to help them also in the personal sphere".

In addition to encouraging personal development through training courses and education, many participants expressed a commitment to "allow someone the best they can be" (The Owlery) and offered a variety of opportunities through which employees can explore and express their personal abilities, interests and aspirations further. For instance, at Aroha Events all the administrative tasks are thrown "up in the air" and re-assigned every six months, this does not just stimulate functional development (by allowing people to develop their skills beyond certain tasks) but also work-enrichment. At Pure they offer a course that gives people a chance to explore their "wildest" dreams. Or, at Green Valley Organics, people are encouraged to pursue their creative ideas. Patrick of Green Valley Organics explained,

Max, the guy from IT, he worked with the local school and put one of our potatoes into space ... I just loved that Work had been a vehicle for him to develop his creativity, his individuality That is [what I want to happen] ... rather than to be stuck in some job, never be able to ... have an idea of your own.

Similarly, through provisions such as a sabbatical or "gap" year, like at Whitcoulls Bank or Three Brothers, many businesses allow employees a prolonged time away from the company so they can explore what is important to them or follow a non-work related dream that they might have. In addition, in most businesses employees are actively encouraged to join company taskforces or committees that are not necessarily related to the employee's functional role.

It's about thinking deeply and intentionally about how every person ... feels that they have growth opportunities ... how else do you help somebody feel fulfilled?

I've heard this time and again from people who pursued opportunities to join some kind of ... volunteer taskforce or some other thing that's unrelated [to a role], it just makes them feel so much more fulfilled as a person. Because they may at home like to volunteer for an animal shelter for example but have no outlet for that here [at work]. So this allows them to come to work and truly feel that they can do something they love in addition to being on a computer all day. (Affinity)

These personal development practices allow employees to uncover and express a variety of their interests and skills. As Kay from Affinity explained, this is

Partially ... around, How you're doing with your role? but it is also, What else are you interested in? and How can we help you tap into that? Because [the founder's] philosophy, and we all take this to heart is, she wants you to bring your whole self to work, she does not want you to leave part of it at home.

These businesses show an understanding that when it comes to employee fulfilment and happiness, it is important that employees are not required to leave certain aspects of themselves at home and can bring their "whole self" (Affinity) to work. Therefore they are not just concerned with developing employees' role-related skills and interests but also with nurturing other, non-work related interests, abilities and dreams within the work-context.

Similar to what was mentioned earlier, several companies had developed certain structural teams or roles to ensure a continued focus on employees personal development.

3.2.4. Collaboration and involvement

The practices outlined in the previous section aid employee wellbeing by supporting employee health or fulfilment but for many of the sample companies this was not enough; a concern with employee wellbeing was also reflected in the development of a workplace where people feel involved and everyone's worth and contribution is honoured. As John explained, it is about helping employees to understand

What is your role in this company? What can you really contribute, not just in the interest of the company but for your *own* interest. Because ... someone who feels that they matter and have value, they feel happier, they think, I feel at home here. And that is what we are trying to achieve. (Pendragon Brewers)

Participants sought to create a workplace where there is not just equality between employees, but where everyone feels heard and trusted; has a sense of empowerment and self-determination. Kay (Affinity) said, "People do feel that they have a voice here; that their opinion matters And I think that that happens through this collaborative process". Pippa (The Owlery) explained, "It is not a tick-

list kind of thing that I do, like, to be a business that is socially conscious I need to ask all of you what I think. It is genuine”.

Some of the collaboration and involvement practices described here are “unconventional” and experimental. This is perhaps unsurprising as the adoption of such practices is generally motivated by the insight that “conventional” business practices promote privilege and inequality of power, and do not support confidence and trust in people. For example, many participants viewed a traditional hierarchical structure as “dominating” and paternalistic. Mark (Everest) said, “I remember thinking, we have got to get a [company] structure and we need to get ‘professional’ but I don’t want it to be like a traditional business, the whole dominating hierarchical approach to things”. Aroha is so strongly committed to “a belief in people and a belief in increasing trust”, that they do not even accept clients (which are generally organisations) that adhere strongly to “a hierarchical structure and people to do what they are told. We would just say, we’re not the company for you”.

Three main subcategories in this category are: *No Privilege practices*, *High-Involvement Management practices* and *Empowerment practices*. While practices are discussed in these different categories, they support one another and work together to create a collaborative working environment.

No-Privilege practices refer to those practices that reject” preferential treatment and promote equality between organisational members. As, for instance, Paul explained, “It is very easy for companies to ... treat their ‘white collar’ workers differently than their ‘blue collar’ workers. We are very strict on making sure that that does not happen” (Eden Breads). “Equality” should not be understood in the sense that everyone is the same, but in the sense that everyone is worthy and has something of value to contribute to the company. As Tom eloquently put it,

The guy who cleans the toilet is as much involved in caring for the world as the guy who preaches about love in the pulpit I mean, different kinds of work, different kinds of people, I’m not saying that every one is the same, it’s not that. That is one of the things we teach all the time: don’t treat everyone the same, nobody is the same but everyone has got an ultimate value. (Einstein’s Cycles)

For many participants supporting equality meant consciously *not* adopting “common” business practices, such as people in management positions wearing suits (e.g., at Eden Breads), or giving special parking rights to senior management (e.g., at Landrijk Insurance). Steven explained that he did not give special parking rights to senior managers since he did not want them to “get airs and

graces ... people to believe that they are superior to others because of position ... you end up with silos and politics and it becomes a pretty lousy place to work” (Landrijk Insurance).

Adopted practices also included open plan office design with equivalent workspaces, or creating of an open work environment through an open door policy. Other examples were “first name terms right through the company. So it’s ‘Paul’ not just for the office staff, but I’m Paul for the 18 year old at the end of the packing line” (Eden Breads). Or, as they do at the highly collaborative Three Brothers, consciously referring to all employees as “co-workers”.

Another way to honour the contribution of every employee and reinforce equality was by adjusting remuneration schemes and adopting shared ownership plans. As Steven (Landrijk Insurance) explained, they want to “destroy any politics and ... any sort of power”,

You reinforce that by making everyone a shareholder. So you help people to understand that they all own this company You reinforce that by remuneration, where there is no bonus pot that the person who stands on as many people as they can gets all of it. It is all distributed fairly and equally.

Several of the sample companies had (partly) adopted an employee stock ownership plan (ESOP), or were in the process of transitioning to one (both Three Brothers and Einstein’s Cycles finalised this transition in 2013). As Tom from Einstein’s Cycles explained,

100% of our company is going to be given to all our employees Everybody will own a piece of it, which has always been kind of our vision It doesn’t say, we are going to sell out ... we are going to do whatever suits our desires as owners What does that say to the employees? How can that be us?

While for many companies this was a relatively new development, Brougham Group has been an employee-owned company for over 50 years, with no external shareholders. All shares are held in an official association of which employees can become members and trustees-in-common of the company assets.

High-Involvement Management practices support the sharing of information and collective decision-making. Unless people have *access to relevant information*; are *supported to gather and connect* with one another; and unless there are systems in place for *consultation*, there can be no collaborative environment.

In relation to the first element, giving employees access to relevant information, at Eden Breads, for instance, management is “as open as we can about where the company is going, what its problems are, what is good. A comprehensive staff newsletter goes out every month. We tell our staff what the profit is”. At companies such as Three Brothers, Aroha Events and Everest, they practice “open book management”, which refers to a management approach where financial or other company information is shared throughout the company. Christine (Three Brothers) explained, “All of our co-workers have access to the financial statements at any time. They are on our intranet and we send them out every month”.

Sharing of information may also happen from an individual department to other employees within the company; at Whitcoulls Bank, for instance, whenever the sustainability department has developed a new policy, they will organise a meeting where “everyone, from every level in the company ... can come and listen and ask questions”. At Brougham Group information sharing also happens through a group they recently created: an international members’ assembly consisting of employee representatives (roughly 50 employees to one representative). The intention behind this group is that it functions like a “mini-shareholders meeting It is really just making sure that they are happy with the direction of the company; it meets 3 times a year, we update them on key investments, key divestments. It is basically like keeping shareholders appraised”. These representatives then take this information back to their respective countries and share it with the employees in their local Brougham Group site.

The second element of *High-Involvement Management* enabling people to meet and connect, was supported through conscious office design, such as (e.g., an open office set-up with plenty of meeting spaces) but also by setting plenty of time aside for regular meetings and company “get togethers”.

In relation to the third element, enabling consultation, all participants mentioned a vast variety of meetings and forums in which regular or special issues are raised or debated. Jeremy from Aveeda Organics explained, “We have all staff meetings every month and listen to people’s concepts and ideas about where they want the company to go it’s encouraging people to come up with their

own ideas and concepts". In addition, companies such as Brougham Group, Affinity and Three Brothers have extensive, and thoughtfully developed, consultation processes that allow for all employees to be involved in decision-making. Alex (Pure) explained that the company tries "to be as collaborative as we can; so being very intentional about trying to get everybody involved Our historical work around appreciative enquiry contributes to that kind of collaborative work environment".

As a last subcategory in this section, *Empowerment* practices serve to ensure that people are actually empowered to act and that the responsibility is not held by only a few. This means being "conscious of how we are we structuring work groups; how are we structuring functional teams; how are we thinking about decision making; how are we thinking about leadership" (Affinity). On a leadership/management level, companies such as Three Brothers or Mulberry Grove Organics have spread responsibility through consciously chosen leadership and management structures. This may include the adoption of *large* leadership or management teams that represent all functions in the company, rather than consisting of "just" a CEO and a CFO. By having a large leadership core that represents the different functions in the company, "we revere everyone: the mechanics, the office people, [etc.]" (Einstein's Cycles). As Christine from Three Brothers explained,

Sometimes with entrepreneurs you tend to want to kind of hold onto everything. So we've developed a practice over the years of a lot of shared understanding and our management group here is 11 people. Often you hear of executive level management teams that are the CEO and three people maybe, here it spans the breadth of all of the activities that we do.

In addition, many participants "tried to eliminate the typical reporting hierarchical relationships that other companies have" (Affinity), and experimented with flatter organisational structures where responsibility was placed further down. As Mark said, "We gave them a lot of responsibility, so they did not have a boss looking over their shoulder, and they had to work in teams to get their work done. A lot of freedom to do a brilliant job" (Everest). Many participants described team-based company structures, consisting of relatively autonomous groups or committees, each responsible for their own results and targets. A variety of such teams were mentioned; some functional and permanent in nature, others task-based and temporary. Examples are Aroha's Business Plan group or the Equal Access group; staff representative committees at Green Valley and Mulberry Grove; or Affinity's Finance or Core Concept team

(“which is the group that carries the design vision”). At Three Brothers or Aroha Events they also have the Culture committee, which is responsible for the culture not getting lost. While many sample companies had only recently started to experiment with different “empowerment” structures and approaches, Brougham Group’s founder, Henry Muller, from its early beginnings in the 50s, sought to create a company whose well-being was entrusted to those who work in it, with active democratic involvement. This purpose of “common trusteeship” is pursued through a wide variety of thoughtfully developed practices and procedures. For instance, in addition to comprehensive and officially documented consultation procedures, Brougham Group supports democratic and collaborative governance not only through the international members assembly mentioned above but also through the establishment of local councils in each of the manufacturing sites, which work with management on local issues. In addition, a number of senior board positions, e.g., on the Group board or the charity board, is assigned to employees who are employee-elected.

This focus on empowerment also means that the role of leadership at progressively collaborative companies shifts from directive to supportive. As Marianne (Mulberry Grove Organics) explained,

It’s really not us [leaders] doing all that much; we just sort of sit back and get the right people in the right place ... Manager meetings are always ding-dong battles and I just take the minutes ... Our Brighton manager has said ... it is amazing to have such freedom to do things in a business that is not my own.

For instance, the leadership teams at Affinity regard themselves as “thinking partners” to the various teams within the company. Similarly, Pippa’s stance has always been

I am the GM of the company but I am here to support you to do the best you can in your role, let me know how I can do that. For example, our retail assistant has got a good eye for styling and ... does not want to be on the shop floor forever. So we are encouraging her; and she has gone ... to style a fashion show last night. That meant that I worked in the shop to cover for her. It is an interesting approach, because it is enabling someone else to have a go and be the best they can be. (The Owlery)

In addition, on an operational level, empowerment was promoted by establishing “pre-approval” practices. Warwick from Aroha Events explained, “how it works [is] you’re pre-approved with what’s

to be achieved, the principles to work within ... and then you're trusted to go and do it. And it might be one person; it might be a team of people".

In the next section I reflect on these four practice categories and review the main themes arising from these findings.

3.3. Reflection on the findings

From the practices it is clear that employee wellbeing matters to these businesses and that they actively seek to make a contribution to this. From the practice categories several employee-related themes arise that give further clarity to how the sample businesses understand and express employee responsibility. The themes *Generosity of practices*; *Variety of practices*; *Thoroughness of integration* and *Co-creation of the internal environment* are explored in the subsections below.

3.3.1. Generosity of practices

The practices and activities adopted demonstrate great generosity. "Generosity" is defined as "showing a readiness to give more of something, such as money or time, than is strictly necessary or expected; showing kindness towards others" (Oxford Dictionary of the English language). While not every business adopts the same practices, the attempts of all businesses to improve the wellbeing of their employees go well beyond what is generally required and expected. Even the more "conventional" or "mainstream" practices, such as remuneration, on-the-job training or leave provisions are generous in nature and tend to surpass legal requirements as well as industry standards. The sample businesses recognise that company resources can be used to enhance employee wellbeing and there is a willingness to do so. They make such practices available not primarily because it makes the business a more attractive place to work or because healthy people are more productive (even though it is recognised that it may contribute to both) but mainly because being healthy would improve the quality of employees' lives and would make for happier people. As one participant said, "It is as much that people think, I like this firm, but also so they live longer. And whether they live longer for another firm or live for our firm, it does not matter. They would just be happier people (Landrijs Insurance).

This generosity does not just refer to financial resources but also to the time and effort invested in developing and implementing many of the practices. For example, not only did businesses spent

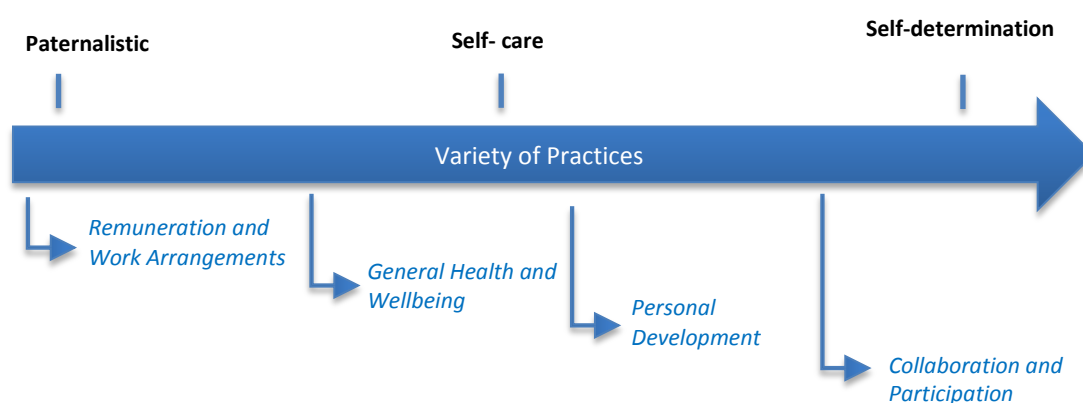
considerable time experimenting with different practices to “get it right” (e.g., participative leadership structures), but they also implemented practices that are potentially time-consuming for the business (e.g., consultation processes).

3.3.2. Variety of practices: Beyond paternalism

The variety of practices adopted by the sample businesses is wide. It includes practices that may be considered “paternalistic”, where “paternalism” is understood as the “practice on the part of people in positions of authority of restricting the freedom or responsibilities of those subordinate to them in the subordinates' supposed best interest” (Oxford Dictionary of the English language), but also includes practices that go beyond paternalistic care, and focus on self-care and self-determination.

To explain this variety further, in figure 3.1 each of the four practice categories is placed on a scale from paternalistic to self-determination. On the left hand side, those initiatives are found that are relatively paternalistic in nature, such as Remuneration and Work Arrangement practices. Here it is the company (as in, those in leadership or management positions) that takes responsibility for (and decided what is best for) the employee; for example, by providing the employee with financial security or support. Moving towards the right, however, the locus of control for employee care moves away from the company towards the employee herself. For example, many of the Health and Wellbeing practices are less focused on the company providing the care *for* the employee but the company promoting employee *self-care*; encouraging employees to that responsibility and look after their own needs. Similarly, the Personal Development practices are about creating the conditions in which, if the employee chooses to do so, she can blossom and grow. Further to the right, the practices go beyond self-care, towards self-determination. Here the locus of control for wellbeing shifts even further towards the employee; Collaboration and Involvement practices are focused on creating the internal conditions that support self-determination.

Figure 3.1: “Variety of practices”- scale



3.3.3. Thoroughness of Integration

The practices show “depth”; the commitment to employee wellbeing is deeply integrated within the companies. This was reflected in both the thoughtfulness applied to the *individual* practices adopted, but also in the level of integration of the commitment *throughout* the company.

In relation to the first, this relates to the thought and creativity applied to finding the practices that are truly aligned with their employee commitment. For example, the thought that went into developing different committees and procedures at Brougham Group to encourage democratic involvement; the design of little pull-out seats connected to each desk to support interaction between employees at Affinity; the deliberations around an ownership structure that values employee efforts at Einstein’s Cycles; or the experimentation with decision-making processes that best support participation at Everest. On a more subtle level, this thoughtfulness was reflected in changing the company language, such as the use of the term “co-workers” at Three Brothers, or always having office doors open at Whitcoulls Bank.

In addition to the thoughtfulness applied to individual practices, depth of integration was also reflected in the level of integration within *all* the company processes and structures. Most of the practices did not stand alone but were part of a whole range of related practices. As one participant said, “That sort of values-driven thing goes all the way through; there is no place where it can hide. You cannot be a value-driven business and have an area where it does not apply just because the customers don’t see it or whatever” (Green Valley Organics). This integration throughout the business indicates that employee-related responsibility is not merely the “adding-on” of a few practices to business-as-usual but involves re-thinking multiple other processes and structures within the company. Depth of integration was also reflected in the careful consideration of that which may *invalidate* employee-related efforts; for example, participation may be encouraged by the implementation of consultation practices, but this may be invalidated by a leadership structure that is still very controlling. At Affinity, for example, they realised, “Oh gosh, if we are really facilitating or encouraging collaboration at the work level, what about on the leadership level? It really should be collaborative all the way through or else it does not make any sense”.

Given the level of integration and the subtlety of certain practices (e.g., language), it is perhaps unsurprising that many of the participants, when discussing their commitment to employees, did not always refer to specific practices alone but to the company having a certain “culture”. For example Pippa (The Owlery) said, “These values are just in the culture, it is ... engrained”. Or, as Rob

reiterated, if employee consultation and involvement “only happens through formalised channels, you are not flexible enough to allow the organisation to be the best it can be ... It is about having a very open culture internally ... a culture where everyone can have their say” (Whitcoulls Bank). As such, the fact that this study was informed by in-depth interviews rather than by ethnography, for instance, could mean that other, and in particular more subtle, expressions of employee responsibility may have been missed. As Kay explained, Affinity’s collaborative approach is “so difficult to articulate, you really have to experience it ... just come in and sit with us and see how we work ... because that's really the best way to understand it”.

As a final note here, while all agreed that integration throughout the business is important, businesses did differ in the extent and ways in which the employee commitment was integrated. For example, while most companies were explicit about wanting to honour employee input, not all experimented extensively with alternative organisational and management structures. Companies such as Brougham Group, Aroha Events or Affinity were far more progressive in their collaborative practices than for example Landrijk Insurance or Nature Foods. Similarly, while all companies cared about employee well-being, not all companies embraced the non-physical well-being practices to the same extent. For instance, while Aveda Organics is happy to promote meditation; at Pendragon Brewers they were not so comfortable with such practices. The differences between companies are discussed in more detail in 3.6.

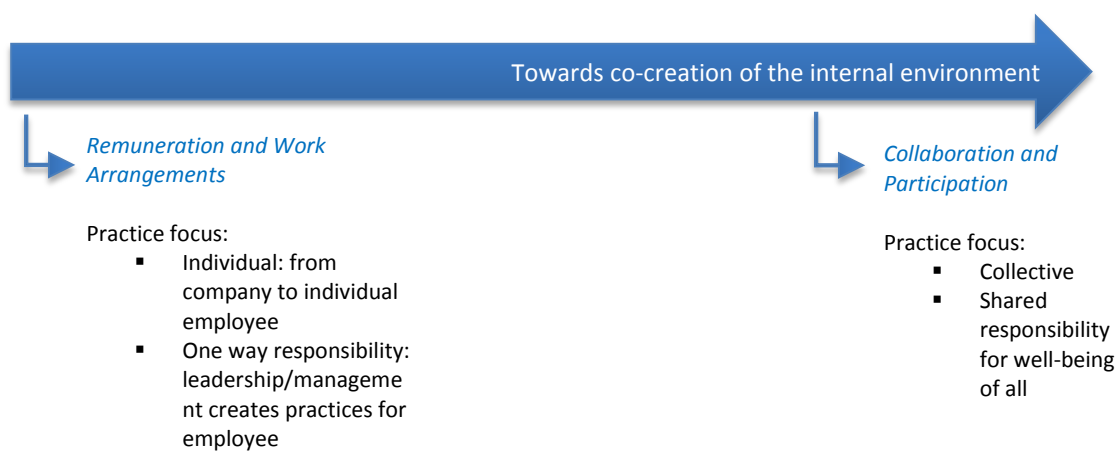
3.3.4. Co-creation of the internal environment

Finally, the findings show that in many of the businesses, the responsibility for creating and sustaining an internal environment that serves employee wellbeing does not lie with those in management or leadership positions alone. In particular with the adoption of Collaborative and Involvement practices, the responsibility to create or ensure employee wellbeing lies increasingly with the collective.

As illustrated by figure 3.2, while many of the Remuneration and Work Arrangement practices simply involve leadership or management *providing* benefits or care to the individual employee, the practices towards the right hand side of the scale require the active involvement of the employee as well. These latter practices focus on creating and maintaining a way of being *together* that is nurturing and respectful to *all* organisational members regardless of hierarchical position in the company. The emphasis shifts therefore from the individual passively accepting care or assistance from those in leadership positions, to the individual also actively taking responsibility for their own wellbeing *and* on creating and ensuring an internal environment

where there is such care and assistance *for others*. For example, Warwick from Aroha Events said, “It isn’t so much, we [employees] will make suggestions [when things are not right] and management will implement them; if you make a suggestion you’re expected to implement it”. Similarly, at Three Brothers, when it comes to maintaining employee-related commitments and values, Christine said, “What I say to my co-workers is, I’m not in charge of culture. We’re all in charge of that”. With the adoption of practices at the right hand side of the scale as such, the responsibility for creating an internal environment that serves employee well-being resides increasingly with the collective.

Figure 3.2: Towards co-creation of the internal environment



As a final note to this subsection, in companies where Collaboration and Involvement practices were common, employees did not just share responsibility in relation to maintaining the wellbeing of employees, but also for the overall (financial) wellbeing of the company. In other words, with the progressive adoption of collaborative and democratic practices, the wellbeing of the company *as a whole* becomes entrusted to those who work in it, to the collective. Therefore, even though the Collaboration and Involvement practices may reflect the commitment to employees, they also indicate a movement away from an “us” (the employees) and “them” (the company) perspective on the business, towards a “we” (the community, the collective) conception.

3.4. The challenges to employee responsibility

Within the interviews participants described a variety of challenges related to implementing the aspirations towards employees and the internal environment. Five main categories of challenges are discussed here: *Lack of financial resources; Lack of employee willingness and skill; Lack of leadership and management skills; Collaborative process as slow and unwieldy; and losing focus when busy or growing*. The boundaries between categories are not absolute and some challenges could be placed in multiple categories.

3.4.1. Lack of financial resources

An obvious challenge, in particular to generosity, relates to a lack of financial resources. Several participants explained that despite an aspiration to do more for employees, a lack of financial stability or resources inhibited them from doing so. For instance, Brougham Group had to cancel their generous retirement fund. Oliver explained, “It was a very good fund in terms of the pay-out you would get when you retired. It was tremendous benefit and it was wonderful”. However, recently, they had been “skating on really thin ice ... so basically it was ... look, we are having trouble, we have a financial issue and ... I am going to have to stop the pension fund We can’t be that generous anymore”.

3.4.2. Lack of employee willingness and skill

For many employees it was difficult to go beyond old and set ways of doing things. Many of the practices go against the “normal” ways of business and for some employees such changes are upsetting. For example, when they scrapped the director parking spaces at Landrijk to encourage equality, “a number of people were a bit upset by that because they wanted to get those parking places when they became directors”. In other cases the suggested changes caused confusion in employees about what was expected of them. At Pendragon Brewers, for example, the attempt to offer employees more flexibility over their work schedule “failed”. While John thought this would be a wonderful opportunity for employees, in particular the older production staff found this change unsettling and was unwilling to embrace it.

They were saying, I don’t really want this Can’t *you* just tell me what to do? Then I make sure that it gets done and then I know I can go home, like always, at 4.30, when the spuds will be ready. That’s okay, isn’t it?

Other participants mentioned lack of employee willingness to engage in the personal development activities or participation initiatives. For example, while Adam (Chalmers) offered a wide variety of self-development opportunities, some employees simply did not “want to go there”. Similarly, Patrick from Green Valley Organics found many of the staff disinterested in development programs or consultation; “These staff development programmes ... lots of people don’t show up, some ... falling asleep and I think, Fuck, why am I doing this?”. In most of these cases there was a sense that “some employees only want to do their job” (Brougham Group).

Another recurring challenge was the lack of employee skill to respond to the practices offered. As Oliver reflected, the idea driving the members’ assembly was that it would create involvement and would make Brougham Group’s management team more accountable to the collective. The idea was that the representatives would go to the group meetings, where they would be informed about what the company is doing and how it is faring, which they then would communicate back to the national sites. However, Oliver finds that “they don’t necessarily go around and properly communicate what happens on a group level”;

It is very difficult for the rep to really understand how to play their position They are not in there just fighting for money ... they are actually trying to make sure they are representing their countries but make sure they understand the bigger picture.

Similarly, while companies offered people opportunities for self-development and self-determination, employees may not know how to manage this freedom or take advantage of the opportunities available to them. As Warwick reflected, “there’s the opportunity at Aroha to grow and develop and do exciting new things but you have to grab it”. For instance, while employees had a lot of freedom at Everest, “that did not work for everyone, some had to be told what to do”. Likewise, participants found that a decentralised structure was a challenge for employees who seek direction: “For anybody new ... it can take on average ... two years to fully acclimate to this way of being here. Because that lack of clarity of, who do I go to?” (Affinity). Also, a collaborative environment requires employees to *know* what is going on and *engage*. As Tom explained,

People have to work on their personal values so ... they can make their own judgments. Because, how can you do this collaborative work if I sort of tell everybody how to do it? The point is that you have come out of your depth and we expect that. (Einstein’s Cycles)

However, while at some companies (e.g., Mulberry Grove, The Owlery, Aroha Events) employees were described as quite capable of self-reflection and making their own judgments, at other companies (e.g., Pendragon Brewers, Phoenix) people were seen as less experienced or skilled in getting involved. As Mark explained, “A great majority of people aren’t self-referencing. They don’t go into their own hearts ... to ask who am I?, what do I believe? ... [They have not learned to] trust my own feelings ... my own values” (Everest). Several participants saw this kind of challenge as “a big drawback of our education system; people get into a job and expect to be told what to do or how to do it because they have been told what to do for 20 years (parents, teachers, etc.)” (Everest).

While participants were at times frustrated by lack of skill or willingness, many showed an understanding that the implementation of certain practices involved quite a significant change in culture, skill or mind-set, and realised that people would need time to adjust and acclimatize. As one participant said, “You can’t expect, just because you decided it is time to consult [that it will suddenly happen] ... [not] until everybody else has decided it is time as well. It is a cultural change thing” (Green Valley Organics).

3.4.3. Lack of leadership and management skills

All participants reflected on the challenges of becoming less paternalistic and more collaborative; in particular, letting go of control as a leader. Even though participants believed in the ideal of involvement and collaboration, it was at times a struggle when it came to the practical reality. As Mark explained,

I still had my doubts, even though the workers were my friends and colleagues, I still mistrusted them. So there is another one of those barriers, the whole conditioning, that belief system, the us-and-them, the national party vs. the labour party, that kind of stuff. I actually had to overcome that in a way, even though I was still the boss I was no longer designing this whole approach, it was cooperative. (Everest)

Participants mentioned several similar “temptations” to take back control or go back to a more paternalistic approach. This temptation was particularly strong when trust in others was damaged, e.g., if something went “wrong” or people did not rise to the challenge. Patrick explained that while he believes in doing business “in a more kind of cooperative sort of way ... the reality of it is, having been once burnt, I found myself probably a bit more sort of controlling” (Green Valley Organics).

Another challenge related to ensuring that leaders or managers are on the same page when it comes to the aspirations for, and approach to, employees. Some described a mismatch between how they had envisaged those in management positions treating employees and how managers actually worked. As for instance Patrick explained,

For a values-driven business that really wants to develop its staff ... there was just a mismatch of how we were actually managing people. There was some quite shoddy kind of treatment of people and managers were saying, management is all about meeting targets, so many boxes per day, margins, there was just a complete mismatch. (Green Valley Organics)

Similarly, at Affinity there was “a bit of an imbalance in how different department or team leaders might lead their teams”, and a need to “bring everybody together to the same level of adherence to the values” (Affinity).

An interesting leadership challenge related to the question, when is being human(e) too close for comfort? With many of the practices mentioned it is no longer about mindlessly keeping a “professional distance” or “keeping one’s commercial coat on” (Landrijs Insurance). Instead, in particular for those in leadership or management positions, a human approach involves exploring new boundaries: When am I “human” enough and when am I being too personal? And for many this exploration had uncomfortable moments. For instance, Paul (Eden Breads) pointed out, “It is a lot easier to hug a tree sometimes than a person”. Tom from Einstein’s Cycles explained exploring these boundaries when he was concerned for an employee who was facing profound personal challenges. One night he had a dream about her situation; from a human point of view he knew it was right to share this dream with her, but he recognised “that [it] was a very audacious thing for me to do ... To go and tell her about the dream [and to] ask her to, on a Sunday, come and meet me [to discuss here situation]”.

This challenge also relates to how far businesses should thread into employees’ personal lives, especially when it comes to offering tools for support, self-development and holistic wellbeing. As Adam from Chalmers questioned, he wanted to help employees to be the best they could be, but would that also mean that he should suggest therapy to them when they encounter problems? Another participant was wondering how personal or “familiar” he should be in his communication. Currently he signs his emails off with “love” or “xxx” but he was unsure whether he should continue this as it may be wrongly perceived.

3.4.4. Collaborative process as slow and unwieldy

Many mentioned how the collaborative process can be unwieldy and slow: “We want to have a lot of voices engaged ... we value everybody’s opinion but you know that’s an unwieldy way of looking at things and so it takes time” (Affinity). This challenges the company in being efficient and flexible: “You put a lot of pressure on yourself to try and be more efficient and do things more quickly, and collaboration doesn’t usually mean it’s quicker. Hopefully it means it’s better, but it’s certainly not usually quicker” (Pure).

In addition, a collaborative approach challenged participants’ patience. Again, while they believed in such an approach, they sometimes got “sick of all the meetings” (Everest), and frustrated with not having ownership over decisions anymore and move quickly. This sometimes led to the temptation to take back control and be less consultative. As Christine from Three Brothers said, “You want to raise kids who are free thinkers ... and occasionally you ... wish they wouldn’t because you just want [to say], because I said so! ... But that doesn’t raise great kids or foster great community”.

3.4.5. Losing focus when busy or growing

On an overall level, participants mentioned how they lost the focus on their employee-related aspirations when busy or growing. Growth in particular challenged creating and *sustaining* an internal environment aligned with aspirations. It creates a challenge in several ways.

For instance, many described that the process of growing distracted them from their focus on employee aspirations. As Patrick reflected,

We got a little carried away ... and we shouldn’t have. We thought we were gods, it was just unbelievable; the business was ... doubling in size every year. It is very difficult to keep up with the kind of soft issues of management; we did lose our way a little bit in terms of how we treated the people So there was a conflict there, growth and scale. (Green Valley Organics)

In addition, growth challenges a collaborative way of working; as the number of employees and the scale of the business increases, it becomes harder to hear all voices and keep all employees connected. As Oliver (Brougham Group) said, “The bigger it is, it’s a challenge to make sure you have got that consultation and for people do feel they have got their vote”; or as Kay (Affinity) pointed out, “Each time there is ... a growth spurt, people notice. We lose a little bit of something. It’s harder

to ... to communicate effectively across all the different channels ... it adds another layer of complexity". Also, growth challenges collaboration in a different way: some participants (e.g., from Mulberry Grove and Pure) mentioned that, as they grow, they are centralising more and are returning to a more hierarchical way of working. Alex explained that as Pure gets bigger, they have to manage this growth and "how things are getting done And there are some ways ... that have proven ... more or less effective. So from an organisational structure, hierarchical standpoint, I think over time we're starting to look more like other companies than we would have before".

Finally, as the company grows there is also a (perceived) need for formalisation to deal with the increased scale and complexity. However, as some noted, such formalisation is at times in tension with the aspiration of wanting to create an internal environment that employees enjoy. As Tom explained, when they grew, "we had to focus ... on proofing our systems and procedures and become much more formal and structured about everything ... And some people left ... because of that change; because they hated it. They felt like the company was not warm anymore" (Einstein's Cycles).

In the next section I discuss the findings of the previous sections in the context of the relevant CSR literature.

3.5. Literature: The employee-focused CSR literature

In this section I review these findings, and in particular the themes *Generosity of practices; Variety of practices; Thoroughness of integration; and Co-creation of the internal environment*, in the context of the relevant CSR literature.

Several studies within the field of CSR implicitly or explicitly focus on a conceptualisation of employee-related CSR. Within this field two main groups of studies can be distinguished which mention the employee in relation to CSR.

The first group of studies analyses employee-related CSR by focusing on the *content* of CSR activities (Basu & Palazzo, 2008). Within these empirical CSR studies an understanding of (employee-related) CSR is attained by describing actual CSR practices adopted by the businesses investigated (e.g. Jamali, 2008; Lindgreen, Swaen, & Johnston, 2009; Panapanaan, Linnanen, Karvonen, & Phan, 2003; Papasolomou-Doukakis, Krambia-Kapardis, & Katsioloudes, 2005). These studies describe a variety of

practices, such as: the provision of fair compensation and employee benefits; open and effective communication; healthy and safe working conditions; training and skill development opportunities; flex-time policies; diversity and equality in the workplace; job security; provision of fulfilling and meaningful work; workplace democracy (e.g., fair representation or opportunities to give input or voice concerns); and practices focused on work-life balance. These practices are generally presented in some sort of list with no particular order of importance suggested. While Panapanaan et al. (2003) *do* report on the “relevance” of each practice (high relevance, low relevance or irrelevant), this still provides limited insight into what is considered important for employee responsibility in the companies studied. For instance, while they “rate” “work-time flexibility” as having low relevance, as this “denotes low attention or low priority ... because it is an established and self-evident concern already” (p. 140), it allows no real comparison to the other practices.

While the content of these practices show overlap with the variety of practices found in the research study, and studies also refer to some non-paternalistic practices, because very little indication is given about “why” such practices are important, it is difficult to discern within such studies what employee-related CSR is actually about and when a company can be considered “responsible” towards its employees. Beyond the variety of practices mentioned in these studies, they make very limited reference to the other key themes of employee responsibility found within the research. In particular, by focusing on the “what” of employee practices, without addressing the “why” or “how” of implementing such practices, insight into what really constitutes employee responsibility remains limited.

In relation to the first limitation, the “overemphasis on the content of CSR activities” within these studies has led to the neglect of the “why” of such practices (Basu & Palazzo, 2008, p. 123); in other words, they do not investigate the institutional factors that motivate or shape these practices in the first place (Margolis & Walsh, 2003). The issue is that without investigating these internal determinants, there is some danger that the practices in and of themselves become confused with responsible behaviour (Brickson, 2007; Gond & Herrbach, 2006). For instance, employee empowerment practices, such as participation in decision-making, may be “listed” in these studies as a means by which individuals can exercise self-determination and self-control (Greenwood, 2007); the suggestion however, that the adoption of such practices is an inherently responsible action is fallacious since it does not account for

The propensity of the organisation to act in self-interest, particularly where there is a large power imbalance in the favour of the organisation [It may] objectify and exercise

domination over employees by falsely encouraging employees to believe they have control over their own lives. (Greenwood, 2007, p. 317)

Therefore, while many of these studies are built on the implicit assumption that certain employee practices are, in and of themselves, acts of corporate responsibility which deliver benefit to the employee, without providing insight into the underlying motivation of organisations for implementing such practices, the practices themselves cannot simply be equated to “employee responsibility” (Goodpaster, 1991; McWilliams, Siegel, & Wright, 2006). In fact, certain employee practices might be considered as corporate *irresponsibility* when used only to coerce or manipulate employees towards organisational purposes (Greenwood, 2007). In this study, however, the employee-related practices were reviewed in the context of the internal determinants that motivated these practices and participants reflections on “why” they adopted certain practices were taken into account. In this way, this study allows for an exploration of employee responsibility that goes beyond the content level alone and allows for an understanding of what it is that businesses are trying to achieve with certain practices, and whether or not they seek to make a contribution to employees’ lives.

In relation to the second limitation, in this group of studies very little detail is provided about the actual practices and “how” they should be implemented; this lack of detail can be illustrated by the study of Lindgreen, Swaen, and Johnston (2009). Through a survey of 500 American corporations, this study found employee-related “practices” such as

Support our employees who want to pursue further education; provide procedures that help to insure the health and safety of our employees; treat our employees fairly and respectfully ... help our employees balance their private and professional lives; incorporate the interests of our employees in our business decisions. (p. 312)

While “broad” categories of practices are mentioned here, details remain unclear: Does “incorporating the interests of our employees” refer to the extensive employee consultation processes found within the research study or simply to the placement of a “suggestion box” at the business entrance? While the research study shows that employee-related responsibility was characterised by generosity and thoroughness of integration, within these CSR studies it remains unclear if they refer to generous, experimental practices or to the bare minimum the company can get away with? Similarly, it remains unclear whether they see these practices as an add-on to

business-as-usual, or as a fundamental change in being towards and with employees, which requires a thoughtful integration throughout many of the business processes (Milne et al., 2003).

Finally, most of these studies assume that their investigated businesses are *extrinsically* motivated to adopt employee-related practices; for example, as a result of various stakeholders exerting pressure on them (Maon, Lindgreen, & Swaen, 2009). However, when employee responsibility is understood as an externally motivated activity, the focus within these studies remains on those things that *have* to be done to keep the employee happy or to fulfil legal requirements, while remaining relatively blind to those activities that the investigated businesses have adopted simply because they considered it the right thing to do. In other words, the assumption of external drivers for responsible practices, will limit the range and depth of employee-related practices found within such studies.

A second “group” of CSR studies that pays explicit attention to the employee in the context of corporate responsibility, mainly discusses the impact of the organisation’s *general* CSR commitment on various aspects of intrinsic employee motivation. These studies address topics such as: the impact of a company’s commitment to CSR on attracting high-quality employees (e.g. Bhattacharya, Sen, & Korschun, 2008; Greening & Turban, 2000; Pirsch, Gupta, & Grau, 2007); the effect of CSR programs on the attitudes and behaviour of employees toward the organisation (e.g. Rodrigo & Arenas, 2008; Rupp, Ganapathi, Aguilera, & Williams, 2006); and the relationship between a company’s CSR focus and employee commitment to, and identification with, the company (e.g. Brammer, Millington, & Rayton, 2007; Kim, Lee, Lee, & Kim, 2010; Peterson, 2004). As Branco and Rodrigues (2006) point out, socially responsible practices “can bring direct benefits to a firm by increased morale and productivity while reducing absenteeism and staff turnover. As well as productivity benefits, firms also save on costs for recruitment and training of new employees” (p. 121).

It is within the context of such topics that these studies reflect on employees’ needs or requirements at work. In contrast to the previous group of studies, this group goes beyond the level of mere practices and refers to the human needs that CSR can or should address. For example Bhattacharya et al. (2008, p.39) recognise the need for “self-enhancement” and “personal growth”; the need for “work-personal life integration”, as well as the desire to be “part of a collective effort to make a difference in the world”, and argue that an organisational commitment to CSR will assist in fulfilling these needs. Similarly, Rupp et al. (2006) mention that “perceiving high levels of CSR can lead to employees’ belongingness needs being met” (p. 541) and that “working for an organization perceived as just in its interactions with the larger social milieu satisfies individuals’ needs for a meaningful existence” (p. 541).

These studies show an understanding of, and care for, employees' human needs, and in this sense show overlap with the findings of this doctoral study; many of the practices found within the sample businesses arose from an understanding of what may contribute to the wellbeing of the employee from a human perspective. For instance, the personal development initiatives demonstrate an understanding of the human need for growth and the importance of expressing one's individuality. However, within this group of studies the ultimate concern is generally with how "CSR programs can provide a variety of benefits for companies" (Pirsch et al., 2007, p. 125) through "improved" employee attitudes and commitment (Morgeson, Aguinis, Waldman, & Siegel, 2011; Panapanaan et al., 2003). The practices such studies unearth or recommend generally remain limited to those that ultimately serve the commercial interests of the company rather than what is inherently best for employees. Some argue therefore that such practices are more like "tools" of management than reflections of responsibility (e.g. Aktouf & Holford, 2009; Greenwood, 2007; M. D. P. Lee, 2008; McWilliams et al., 2006). For instance, the following quotation suggests that the employee-related practices unearthed in the study of Branco and Rodrigues are focused on "steering" employees towards organisational goals rather than towards employee wellbeing.

It is also fundamental to motivate employees to behave in such a way as to have positive consequences for the firm. In this respect, it is important to address questions such as those related to their motivation, morale ... and loyalty to the firm. (Branco & Rodrigues, 2006, p. 118)

Similar to what was found in the previous group of studies, there is an underlying (and often unquestioned) assumption that businesses will (or should) be financially motivated to adopt employee-focused practices. These studies can therefore not explain the generosity or the thoroughness of integration displayed by the sample businesses. Within a win-win focus, after all, it makes no sense to consider those practices that may require the company to sacrifice resources for no gain. Also, when practices serve to "manage" employees towards organisational goals, it makes no sense to adopt progressive collaborative practices (as those found within the research study), which require management to let go of control rather than retain it. In addition, while some studies discuss challenges to implementation, for example Bhattacharya et al. (2008, p.39) recognise that the task of unearthing employees' needs is anything but straightforward and Rodrigo & Arenas (2008) point out that the expectations and needs of employees are far from homogeneous, the understanding of the barriers to implementing employee responsibility, such as the those found within the research study, remains limited. As Margolis and Walsh (2003, p. 280) suggest, a

preoccupation with win-win situations, where CSR also leads to improved organisational performance, renders theory that accommodates economic premises but “sidesteps the underlying tensions between the social and economic imperatives that confront organizations”.

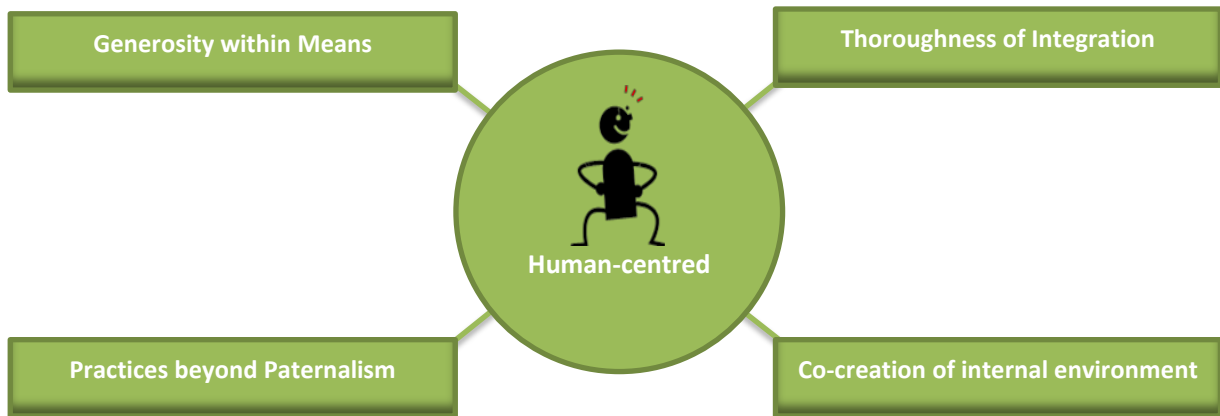
In short, by divorcing employee-related practices from the underlying motivation, or by over-emphasising the instrumental benefits of employee-related practices, what current CSR studies unearth about what constitutes employee focused CSR and what might be involved in its implementation, remains limited. The *generosity of practices*, as well as the *thoroughness of integration* found within the research study are only partly described and explained by these studies. Also, while some *variety of practices* is mentioned in the practices, most of the practices mentioned sit on the more paternalistic (and perhaps more conventional) left hand side of the scale, whilst the progressive involvement and collaborative practices, if mentioned at all, are not addressed in depth. In addition, whilst the research study finds that there is a movement towards *co-creation of the internal business environment*, the current literature makes no mention of this at all. Finally, the experimentation of the sample businesses with different structures and processes; the challenges and requirements involved in implementation; as well as the potential consequences for the nature of management and leadership when collaborative practices are implemented, are not addressed. Therefore, within the current CSR literature the understanding of what employee responsibility might entail and how it may be implemented remains limited.

3.6. Theoretical implications: Human-centred employee responsibility

The previous sections show that employee-related practices are, in themselves, not necessarily a reflection of employee responsibility; nor does a concern with employee needs, in itself, conceptualise employee-related CSR. In this section, therefore, I am concerned with providing an understanding of what *does* constitute employee responsibility from the participants’ perspective.

For an explanation of the generosity, variety, thoroughness of integration *and* the movement towards co-responsibility found within the research study, the underlying view on employees needs to be taken into account. In this section I argue that at the heart of the participants’ understanding of internal social responsibility lies the understanding of employees as *human beings*. As is illustrated by figure 3.3 below, it is this base understanding that informs and explains the four other themes of internal social responsibility discussed earlier.

Figure 3.3: Human-centred employee responsibility



The way in which the participants spoke about the implemented practices reflects that their sense of what is responsible and “right” in terms of employees is informed by what they consider to be right from a *human* conception of the employee. The findings suggest that participants did not see employees primarily as “units of commerce” to be utilised for the ends of the company but as “ends” within themselves. Some participants explicitly reflected on how this view is quite distinct from the “conventional” business approach to employees. Businesses are “viewing their people in one-dimensional ways ... in a purely instrumental way They don’t know how to really care for people in the organisation or maybe to ... sacrifice some gain ... and that is not any way to live in the world” (Einstein’s Cycles). Similarly, Mark said, “We treated our staff like human beings. We valued them as human beings because that’s what they are It’s not rocket science. This is just absolute fundamental humanness ... we just ignored the regular kind of business approach” (Everest). It is the respect and consideration for the human being that informs and drives the understanding of what is inherently the best way to structure and approach the internal working environment of this business. The practices, for example, show a respect and understanding of *human* needs and requirements, not just those related to the role they fulfil within the company. As David said, “We just generally try to be understanding of people’s needs If one looked through all the ... policies ... you would probably see a fundamental fairness and respect for individuals” (Prometheus Bank). Through provisions such as living wage and other financial assistance participants not only honour people for their work but also respect the human need for financial security and financial stability. The flexibility offered in terms of work arrangements show an understanding of the human need for work-life balance; while the extensive health benefits for employees and their partners demonstrate a respect for life outside of work. The general health and wellbeing practices are a recognition that wellbeing goes beyond the physical and material, and that the mental, emotional and spiritual aspects of the person also need to be honoured. Similarly, the personal development initiatives

demonstrate an understanding of the human need for growth and the importance of expressing one's individuality. The emphasis on empowerment and autonomy reflects an understanding of the importance of freedom and self-determination. The collaborative and participative practices recognise the human need to be treated "with respect and dignity" (Eden Foods) but also that everyone's contribution and ultimate value as a human being, needs to be honoured.

It is of interest that many did not consider treating employees as human beings as something extraordinary; it is common sense. There was a "naturalness" to what they were doing, of simply "being human" in business. Many quite naturally brought their personal values and their own understanding of what works for them as a human being, to work. As Patrick from Green Valley said, "I want people to be treated here as I would want to be treated!". Their knowledge of what a responsible internal environment might look like was therefore not primarily derived from any external source but drawn from their own experiential knowledge as a human being: "We followed what was in our heart rather than doing what everyone else was doing What would I like to have happen to me if I was in that situation? Do unto others" (Everest).

At the same time, while this humane approach to employees is not primarily motivated by whether it will "pay off" in improved performance, there is very much an understanding within the sample businesses that in order for the organisation to do anything for the employees, it needs to safeguard its continued existence and therefore needs to be generous towards employees *within means*. As Brian said, "We said from the start, we are concerned with the individual people within the company, but this is made possible by the fact that the business itself is healthy"; "our involvement with the individual can only continue if the business survives" (Phoenix Panel and Paint). A human-centred approach, therefore, does not equate to blind idealism, with no concern for the other business requirements. The combination of this "pragmatism" in relation to the business needs, as well as the strong focus on the human values of the business hints at the potential complexity of managing the different business requirements. This will be discussed in more depth in Chapter 6, which addresses conflicts and compromises specifically.

In summary, even though the CSR literature claims interest in enhancing employee wellbeing, with a predominantly focus on commercial business interests or on the content of employee-related practices, the question what inherently serves the employee remains largely unanswered and the understanding of what employee responsibility might entail remains limited. This research, on the other hand, points towards several main elements that are key to employee responsibility. It shows

that employee responsibility is based in an understanding of the employee as a human being. Responsible practices take human needs into account and are generous in nature, but without losing sight of what the business requires for its continued existence. It contributes to an understanding of responsible employee practices that goes beyond paternalistic practices alone, and includes those promoting self-care and self-determination. It shows that it is not enough to focus on individual practices but that employee responsibility involves an integrated approach, which requires rethinking many of the structures, practices and processes within the business. Finally, it suggests that employee responsibility is not solely a management or leadership “task” but that the collective of organisational members is responsible for the creation of an internal environment, which supports the wellbeing of all.

One important area for future investigation may address the question: if employee practices aim to honour the human being, should they still be implemented if employees resist them or are unable to adjust to them? As alluded to in the section on Challenges, participants from older companies that had made the switch towards being values-driven later on in their existence (e.g., Whitcoulls Bank or Pendragon Brewers) felt they could not go “too far”, both in offering certain practices (such as yoga or meditation) or what they could ask of people (e.g., be more autonomous) because when those people came to work for the company, they did not “sign up” for that. From this perspective, is, for instance, a collaborative approach always “better” for employees or only for certain employees? When is it humane to “push” or even impose a certain practice? In particular since many companies are currently face a similar situation, where they are currently “switching” from a “traditional” to a more “responsible” focus, these are important questions to explore.

These questions also indicate that in a human-centred approach human limitations need to be taken into account. In other words, honouring human beings in their fullness also implies understanding and “dealing with” all the inherent contradictions, complexities and limitations of being human (Algera & Lips-Wiersma, 2012).

Related to the previous, it may also be of interest to explore when “imposing” a certain practice constitutes “doing the best for people” or when is it more akin “autocratic” behaviour, which contradicts other employee values? Some participants had clearly struggled with such questions. While Adam had always taken a consultative approach with employees, he now wondered whether his attempts to create a team-based, participative working environment may have succeeded if he had been a more directive, authoritative leader.

In addition, while all sample businesses had similar aspirations in relation to employees, the extent and the way that these commitments were integrated differed. For instance, both Everest and Eden

Breads show a similar, genuine concern for equality. However, where Everest adopted a variety of high-involvement practices and encouraged decentralisation, Eden Breads (despite being very generous in other ways towards employees) remained somewhat conservative and paternalistic in its efforts to involve employees. Future research may investigate such differences in more depth and investigate what is behind them (e.g., different leadership skills? Employee ability to adapt?), and perhaps also ask the question, when is a values-driven business doing enough for employees or when should they do more?

Also, while this research indicates some measures which aid in implementing an employee focus (which is discussed in more detail in 3.7), the research did not give conclusive insight into the relative importance of such measures in, for instance, *maintaining* the focus on employees when facing financial hardship. For instance, while both Affinity and Nature Foods had taken structural measures to ensure a continued focus on employee wellbeing (a Wellness leader and a Wellness committee respectively), when faced with financial duress, Affinity seemed to have maintained a focus on employee wellbeing, while Nature Foods' focus seemed to have slipped. While I come back to the issue of maintaining the focus on values when faced with financial challenges in Chapter 5, further research could investigate these differences further and explore other factors that may have played a role.

Finally, further research may address specific areas of implementing employee responsibility in more depth. For instance, how does emotional maturity in leaders assist in effecting employee responsibility? Or, given the importance of self-reflection and self-knowledge, what changes may be needed in educational system so that leaders and organisational members are better able to work in a democratic-participative environment?

3.7. Practical implications

Several requirements can be derived that are not just important for the practical implementation of the kind of practices mentioned above, but also for *sustaining* a human-centred internal environment. The following are discussed here: *Developing skills and experience*; *Structural roles and Committees* and *Leap of faith*. Additional examples and supportive quotations are found in Tables 3.5 and 3.6 in Appendix 10.

3.7.1. Developing skills and experience.

Skill development, both in leaders as well as organisational members in general, is important for the implementation of human-centred employee responsibility.

For instance, leadership training may be required to clarify what the company values in being a good leader and to ensure alignment of aspirations throughout the business. This may include leadership courses or retreats where values are reiterated and certain employee-related practices are taught. Interestingly, some participants (e.g., from Everest or Einstein's Cycles) indicated that a humane approach to employees requires a certain (emotional) maturity of leaders or managers. In particular knowing how to navigate the subtle boundaries between personal and professional; experimenting with different humane practices; or being able to let go of power and control, requires a self-confidence that comes from knowing oneself as a human being and having "life skills". For example, when it came to "training" one of Einstein's senior managers, who had a very controlling approach, it was clear to Tom that this senior manager did not need "conventional" leadership training but needed to learn about his own reactions and emotions. As Tom pointed out, "If we can't raise the level of our life skills we are going to be limited in terms of how much influence ... we can have, how much leadership [in business]". Participants referred in particular to the limitations of being driven by fear or the need to control others, and the importance of leading from a "reflective ... self-emptying, humble, courageous" place (Einstein's). Participants sought to encourage such "maturity" through reflective exercises or regular personal "counselling" sessions. At the same time, business may be limited in what they can ask from employees in this respect. As Mark said, "As far as I am concerned, if I could make it compulsory for everyone to do some course like [refers to a personal development course], I would. But you can't do that" (Everest).

In relation to developing the necessary employee skills, and in particular those related to working in a more autonomous or collaborative environment, businesses can provide financial training, to help employees understand the financial side of the business; or provide communication or constructive feedback training to allow for the effective sharing of information between all organisational members (like at Three Brothers, Aroha Events).

In addition, businesses may actively coach and support people to take initiative (e.g., at Affinity); or create a culture in which experimenting and making mistakes is okay (like at Aroha Events). In addition, because a collaborative environment requires employees to bring themselves, business may continuously need to call on employees to get involved and remind them of their responsibility to participate and engage (like at Everest, Three Brothers). In addition, to encourage employees to

make their *own* value judgments and have their *own* opinions on decisions, businesses may need to incorporate reflective exercises in meetings that point the employee towards herself. For instance, at Einstein's Cycles, Tom asks employees to reflect on significant life events and how these events relate to their personal values; or at Chalmers Adam would ask people to reflect on their personal habits and how this relates to business.

However, as the challenges of section 3.4 show, besides ability, there also needs to be willingness to work in this kind of way, and the research suggested that business may need to adjust their recruitment process to attract those people who actually fit the culture. Many participants described changing the recruitment focus as well as their recruitment methods. The focus shifts away from hiring on technical or professional skills towards hiring for "cultural fit", in particular for working in an autonomous and collaborative environment. In terms of recruitment methods, at Aroha Events, which has a highly collaborative culture with an emphasis on people treating one another with respect, they no longer interview on a one-to-one basis but instead let candidates work in groups. In this way they can review the ability and inclination of people to work together. Similarly, business may need to adjust their reward and performance management systems to encourage the right sort of behaviour and reinforce what is valued. Participants suggested that this may include rewarding not just "professional" achievements but also the humane treatment of others, for example how helpful and kind someone has been. Performance management systems at for example Everest or Pure did not just serve to "judge" the individual on professional performance but to help them develop as a human being.

3.7.2. Structural roles and committees

As described, in particular when faced with deadlines or growth, there are temptations to let the focus on a humane approach slip and return to more traditional business practices focused on control and centralised power. This suggests that it is important that aspirations and values are *continuously* reiterated and confirmed.

The findings indicate that this is assisted, to an extent, by the purposeful implementation of staff positions which guard this focus. This could be in the form of an employee wellness/employee development committee or leader (e.g., at Pure, Three Brothers), or by integrating a position focused on employee commitments on a senior leadership level. At Affinity, for instance, they have established a three-headed "facilitating leadership team", where, in addition to a CEO and CFO, there is a third senior leadership role that is specifically focused on "guarding" and maintaining

Affinity's focus on the internal culture. Through this kind of initiative the employee-related aspirations may be held and nurtured, even if growth or challenges arise. A similar initiative was found at Landrijsk. Since they anticipated that with the continued growth of the company they may not have enough resources to look after the corporate responsibility values of the company, they created the new role of "business ethicist", with the vision that this role will help ensure that the focus on the values and commitments is maintained.

3.7.3. Leap of faith

Finally, the data indicated that faith or being able to make "a leap of faith" was important in implementing and persisting with a humane approach. Several leaders (e.g., Marianne from Mulberry Grove or Mark from Everest) indicated that despite doubts or disappointment, it was important to trust and let go. As Marianne said, "In the end you have a choice, are you going to let that incident affect everything else in your life? Or leave it behind you?". Being able to make a leap of faith seemed particularly "needed" when implementing those practices that required trusting people and letting go of control. Interestingly, this finding was mirrored by Ricardo Semler's observations, a successful entrepreneur who has long promoted progressive democratic-participative management (and who inspired several of the participants in designing their internal environment such as Warwick from Aroha Events or Christine from Three Brothers). When asked why not more businesses adopt his approach, he said,

Because it takes a leap of faith ... the way we do things means giving up control, and people ... don't give up control easily when they are in power. So it is very difficult to adapt because people have no real personal motivation to take that leap of faith.(Larchaga-Martinez, 2011, p. 220)

Faith, therefore, appears to be an important but elusive "requirement" for the implementation of employee responsibility, which also needs to be maintained. As shown in the case of Adam (Chalmers), it can get lost; he had once made a great leap of faith towards a human-focused working environment but faced with disappointment and non-responsiveness from staff, he lost faith that this could work.

As a final note on these practical implications, it appeared that the sample businesses evolved their understanding of implementing employee responsibility over time, the evolving nature of CSR implementation is discussed in more detail in Chapter 5, which discusses the CSR implementation

process.

Referring back to the literature, as described in section 3.5, within current employee-focused CSR studies the insights into the specific practical requirements remain scarce. For example, Bhattacharya, Sen, and Korschun (2008) do mention the importance of actively encouraging employees to participate and the importance of leaders learning to understand employee needs. However, in relation to the latter, since the main focus is on providing commercial benefits for the organisation, the emphasis is on teaching leaders the relative attractiveness of each employee “segment” so that the programs can be targeted on the segment that has the greatest future value, rather than truly serving the human needs.

Interestingly, while currently not integrated within the CSR field, the humanistic management (HM) literature, which explicitly rejects the employee as a “resource” and takes a human conception of the employee as a starting point for business and management (e.g. Aktouf, 1992; Giovanola, 2009; Melé, 2009), shows many similarities with the practices found within the research. In other words, within HM it is recognized that humanistic management ideals hold important implications for many business structures and processes (e.g., working conditions, recruitment, evaluation, leadership and communication) (Acevedo, 2012; Pirson, 2009). For instance, many mention the importance of encouraging cooperation and participation throughout the business (Melé, 2003; Peus & Frey, 2009; von Kimakowitz, Pirson, Spitzack, Dierksmeier, & Amann, 2011; A. L. White, 2009). However, despite the *theoretical* insight of HM scholars that humanistic management ideals hold important implications for the business practice, studies that address the actual practical reality and requirements of applying humane principles in business remain surprisingly limited (Mele, 2003). As such, it is suggested that the practical implications discussed here may not just contribute to the current CSR literature but also to an actionable understanding of HM.

3.8. Limitations of study

Several limitations to the study can be identified. Perhaps the most important limitation is that this study did not include organisational members other than senior leaders or founders. To create an understanding of what is inherently best for employees, their insights into what supports their wellbeing best need to be included.

In addition, as mentioned in 3.6, while all sample businesses had similar aspirations in relation to employees, the extent and the way that these commitments were integrated differed. While this

study provides broad understanding of what employee responsibility means for the sample businesses, further *comparative* research could give insight into such differences.

Finally, as mentioned, some practices related to employee-responsibility are subtle in nature and difficult to describe. As such, this research, which was based on interview data only, has limitations in the insights it provides in relation to these subtle elements and may have placed disproportionate emphasis on the more tangible practices. Further research that is more ethnographic and experiential in nature is needed to explore these subtle elements in depth.

3.9. Conclusion

This chapter gives insight into what employee responsibility entails in values-driven businesses and addresses an important gap in the current CSR literature. By going beyond just the content of employee-related practices, this chapter showed that what is central to their concept of employee responsibility is an understanding and respect for the employee as human being.

This human-centred approach to employees is expressed in practices that are not only generous but also go beyond paternalistic care (the company caring *for* the employee) to include practices that encourage self-care and self-determination. In addition, employee responsibility is not merely an add-on to business-as-usual but a thoroughly integrated activity, which requires not only a thoughtful re-consideration of many traditional management and leadership practices, but also the courageous experimentation with different, often innovative practices. In addition, within this human-centred approach, employee responsibility and the creation of an internal environment that supports the wellbeing of employees, becomes increasingly a collective responsibility involving not just leadership but all organisational members. In the actual implementation of employee responsibility, several challenges were identified, such as the lack of skill and experience of both leaders and other employees to adapt to a more collaborative way of working. Finally, it was shown that the implications of growth may impede a continued focus on the employee as human being. While several limitations of the research were discussed, this research contributes to the current CSR literature by providing a comprehensive and detailed understanding of employee responsibility that is focused on what is *inherently* best for the employee as human being, rather than what is ultimately best for the organisation. In addition, it gives insight into some of the practical implementation of human-centred employee responsibility. The latter makes a contribution to the CSR literature, but also to a practical understanding of humanistic management in business.

Chapter Four: No company is an island: External engagement as corporate co-responsibility

*We are all sitting on our own little islands and we have to move towards each other again We believe in alliances, we believe in connecting and uniting, and through that we all become stronger. We have to come together again and **not** say, this is **my** thing and that is **yours**. (Pendragon Brewers)*

The fashion industry is a closed book, it is so competitive But the great thing about sustainability is that it is one of the only topics I have been around that allows you to drop those barriers. It helps you to go, look we are all in it together. (The Owlery)

4.1. Introduction: The limitations of the stakeholder perspective

Although numerous definitions of CSR have been proposed, the broadly shared commonality in this highly pluralised field is its concern with the theorisation of the relationship between the business and society (Basu & Palazzo, 2008; M. D. P. Lee, 2008; McWilliams et al., 2006). Within CSR scholarship, stakeholder theory has taken shape as the dominant theoretical response to conceptualise this relationship (Freeman, 1994; Margolis & Walsh, 2003, p.273) and has gradually moved “to the center stage of research in business and society relations” (M. D. P. Lee, 2008, p.61; Stoney & Winstanley, 2001).

Stakeholder theory assumes that the business operates at the centre of a network of relationships, involving many participants, each of whom has some kind of claim on the firm’s resources or attention, based on law, moral right or both (Jamali, 2008). It argues that it is not sufficient for business to focus exclusively on the needs of stockholders and must instead satisfy the interests or concerns of various other constituents as well (McWilliams et al., 2006). Stakeholder scholarship suggests that the practical identification of relevant stakeholders takes place through stakeholder analysis, which commonly focuses on identifying salient stakeholders based on “their possession of power, legitimacy, and urgency in relationship to the firm” (Mitchell et al., 1997, p. 871). While in its initial conception this stakeholder perspective served as a strategic management approach to ensure the firm’s survival (Freeman, 1984), the stakeholder model was quickly adopted within CSR scholarship. Not only because it legitimised attention for parties other than shareholders but also since it offered a practical model to envisage and manage the company’s responsibilities to society (M. D. P. Lee, 2008; Margolis & Walsh, 2003).

Despite its popularity however, its appropriateness for conceptualising CSR has been questioned. One criticism is that it does not provide enough clarity for the identification of “valid” stakeholders (Mitchell et al., 1997) and opinions differ on how broad or narrow the definition of “stakeholder” should be¹⁸ (Donaldson & Preston, 1995; Stoney & Winstanley, 2001). A narrow definition typically comprises of those who are essential for its continued existence, referred to as primary stakeholders, such as financiers, employees, customers, suppliers, community organisations and governments (Clarkson, 1995). A broader definition generally includes “secondary stakeholders ... who influence or affect, or are influenced or affected by, the corporation, but ... are not essential for its survival” (p. 107). While many acknowledge that business has some moral responsibility toward secondary stakeholders, the perception that such a wider definition may require the inclusion of “the whole of the human race” (de Wit & Meyer, 2005, p.265; Langtry, 1994) and may be “bewilderingly complex to apply” (Mitchell et al., 1997, p.857), has often inhibited a conceptualisation beyond primary stakeholders. In addition, some warn that it is often mistakenly assumed that stakeholder engagement is inherently ethical and beneficial for stakeholders (Goodpaster, 1991). However, without understanding the underlying intent behind stakeholder engagement, stakeholder engagement is essentially a morally neutral practice that cannot be equated to corporate responsibility (Greenwood, 2007). Finally, in its desire to establish a legitimate place for parties other than shareholders, the majority of CSR scholarship has used stakeholder theory to provide evidence for a positive connection between CSR and corporate financial performance (Margolis & Walsh, 2003, p. 273). As a result, the emphasis has been on stakeholder engagement that *also* serves the bottom line. The problem is that the resulting empirical findings and theoretical propositions have restricted CSR scholars in developing “a more expansive approach to understanding the relationship between organizations and society” (p. 279). In particular the consideration and theorisation of those interactions and those stakeholders that do *not* ultimately serve the financial goals of the organisation remains incomplete.

It can therefore be argued that the contribution of stakeholder theory to CSR theory and practice has remained limited. It does not provide a comprehensive conceptualisation of what a “responsible” relationship between the business and society may look like; for instance, what groups or individuals in wider society responsible businesses engage with; what purpose these relationships serve; or what form they may take.

In this chapter I address this gap in the literature. I focus on the question “How do the sample businesses understand their relationship with the external environment?” and examine the various

¹⁸ For a comprehensive and chronologic overview of stakeholder definitions, see Mitchell et al. (1997, p. 858)

external engagements of the sample businesses. By including those external engagements that do not serve the financial goals of the business and by reviewing the underlying motivation for these engagements, I provide a comprehensive insight of what a responsible relationship between the business and its external environment may look like. Since the relationship with those internal to the company, the employees, is explored in Chapter 3, I focus here on those interactions with those *external* to the business.

Findings section 4.2 gives an overview of the various external engagements of the sample businesses, the challenges of external engagements and the purposes of such engagements. Section 4.3 provides a reflection on these findings, which is followed by a discussion of the findings within the context of the literature in 4.4. In 4.5 the implications for theory are discussed, and 4.6 addresses the practical implications. In 4.7 I reflect on the limitations of this study, which is followed by a conclusion in 4.8.

4.2. Findings: External engagements

Within the interviews participants talked about a wide range of parties within their external environment that they actively engage with. Landrijk Insurance regularly talks with regulatory bodies and government, while Whitcoulls Bank pro-actively engages with activists. Pendragon engages with a regional convent, while Affinity invites academics into the business. Pure and Prometheus Bank meet with competitors, while Einstein's Cycles and Three Brothers are actively involved with cycle advocacy groups. Phoenix works with a university, while Brougham Group is actively engaged with the local community. Nature Foods has close relationships with suppliers and Aroha Events Company partners with NGOs in Africa. Chalmers regularly meets with other business owners and The Owlery engages with the local arts community. Mulberry Grove and Aveda Organics regularly talk with like-minded businesses, while Eden Breads actively engages with the general public. PSG and Everest work with different public agencies and Patrick from Green Valley Organics spends many evenings with core customers. Not only are quite a few of these parties not usually or naturally connected to business, but the nature of these engagements extends well beyond "normal" business transactions with primary stakeholders (e.g., customers, financiers or suppliers).

In this section I explore this in more detail. In 4.2.1 I review the range of external engagements, 4.2.2 addresses the various purposes of these engagements, and in 4.2.3 the challenges of external

engagements are discussed.

4.2.1. The wide range of external engagements

This section explores the range of external engagements of the sample businesses by discussing the different platforms on which they take place. Starting with the more formal or structured platforms and finishing with the less formal and incidental ones, the following platforms of engagement are discussed here: Formal Partnerships; Business Associations, Networks and Groups; Conferences and Seminars; Community and Volunteering projects; Occasional Meetings and Visits; and Online Interaction. I emphasise those engagements that go beyond “normal” business relations. Illustrative and supporting quotations for each platform are found in the Tables 4.1 to 4.6 in Appendix 11.

Formal partnerships. The data show that external engagements take place through formal partnerships. Most commonly mentioned were supply chain collaborations, but formal partnerships with educational institutions or NGOs/non-profits were also recurring.

In relation to the first, participants mentioned that they were “not kind of spot market players that go out and buy this here and there. It is more about ... a partnership approach” (Nature Foods); and many were working towards an integrated supply chain. Affinity has formal partnerships with a limited number of family-owned factories in China; this guarantees a certain quality of product but also allows for Affinity to run “focused human rights programmes within our factories”, ensuring the fair treatment of workers. Green Valley Organics has formal franchise agreements with regional organic farms throughout the US. This guarantees the farms a certain amount of custom and creates a steady supply of produce grown to organic standards for Green Valley. Many businesses had also involved NGOs in these supply chain partnerships. Pure, for example, guarantees fruit growers a fair price through a supply chain partnership but also tries to improve the quality of life in fruit growing communities by involving a locally operating NGO. Formal partnerships, therefore, help safeguard not only supply but also the adherence to certain quality, environmental, organic and fair trade standards, as well as the proper treatment of workers. They provide suppliers with a degree of security (in terms of guaranteed custom, price or income) but also other support (e.g., in the form of health care provisions or access to the partner’s expertise).

In terms of formal partnerships with educational institutions, Phoenix has a collaboration agreement with a regional university to help them improve their product, while Pendragon has asked a local

educational institution to develop a sustainability tool that they can offer to their (hospitality) customers (see Appendix 11, Table 4.1).

Finally, participants mentioned formal partnerships in the form of joint ventures with NGOs/non-profits. For example, David (Prometheus Bank) described the joint development of a “green” banking product with several environmental organisations. Eden Breads has a long-standing partnership with the Special Olympics, an organisation that organises the “Olympic games” for mentally disabled people. Among other things, Eden Breads developed a bread they named, “Very Special Bread”, the proceeds of which fund scholarships for people to attend the Special Olympics. Another interesting example is the joint initiative of Pure and Ashoka Changemakers. Ashoka is a global online community that supports initiatives for a better world and together they created the “Get your juices flowing”- campaign which consisted of a competition to find and fund creative solutions to strengthen local communities across several States.

Engagement with external parties also takes place through *Business associations, networks or groups*. Pure, for instance, is part of the Specialty Beverages Association; Oliver from Brougham Group sits on the board of the Employee Ownership Association; and the CEO of Chalmers meets with a group of (ex-)business owners several times a year. While these kinds of associations or groups focus primarily on sharing knowledge about *general* business or industry issues, participants, like Eden Breads, Nature Foods or Mulberry Grove, also mentioned regular interaction within business networks specifically focused on running a *sustainable* business (see Appendix 11, Table 4.2).

In addition, on a less formal level than networks or associations, many participants partake in certain groups with similarly-minded others. For example, The Owlery and Mulberry Grove are part of a recently created group for sustainably-minded women in business, “a forum especially for managing businesses with sustainable mindfulness” (The Owlery). Similarly, Pendragon is part of a regional Cradle to Cradle group, consisting of businesses interested in applying Cradle to Cradle principles, while Einstein’s Cycles has long been part of an organisation called Seeing Wholeness (SW), which includes not only like-minded businesses but also academics, business consultants and other interested individuals, who help one another reflect on challenges related to their business or organisation. Some groups also include parties that could be considered competitors, as Alex from Pure explained,

We have the “enviro-bottle” [a bio-degradable bottle], which is not plastic. [A multi-national company that has a competing product] has a bottle that is still petroleum-based ... [and] they want to improve their bottle ... to have a lower environmental impact. So ... they are convening a group of people ... who ... understand the challenges they’re facing and have some experience ... to help them figure out how to do better, and they invited our environmental affairs guy to come to that conversation That is almost courageous ... to invite a competitor who has got a directly competing product to say, come and help us figure this out, but that’s not uncommon at all.

These networks or groups of like-minded parties not only support the parties involved but also stimulate and enable the creation of alliances between different members.

Participants also engaged with external others through *Conferences and Seminars* (see Appendix 11, Table 4.3). For example, like many other participants, Kay from Affinity regularly attends conferences and business leadership seminars focused on corporate responsibility and responsible leadership. At these events she meets with business owners, consultants, academics and other interested parties and exchanges insights and experiences about running a values-driven business. Similarly, like the majority of participants, Warwick (Aroha Events) and Christine (Three Brothers) speak at conferences and in forums. Jeremy explained, “Most of my time is probably spent out; speaking to people that are trying to obtain some kind of moral compass to their business” (Aveda Organics). Pendragon organised and hosted a conference for policy makers and regional entrepreneurs focused on responsible and sustainable thinking in business.

Community and volunteering projects. Engagement with different parties also takes place through various philanthropic initiatives, such as volunteering or community projects, which the majority of the businesses engage in. These projects generally create interaction with people from the local or regional community.

For example, to mention just a few of the countless (often innovative) projects, Nature Foods has “an evolving relationship with ... some of our publics that we work with. For instance, we are involved in a very large project related to the wetlands restoration here in Boston Valley ... planting thousands of trees”. Brougham Group connects with local community when making company facilities, such as the grounds, hall and swimming pool, available for community initiatives as well as private weddings or parties. Three Brothers, as part of their environmental and health-related commitments, organises a yearly bike festival, On Yer Bikes!, which celebrates cycling as a viable

form of alternative transport. This involves customers and employees but also local community members and cycling groups. Another example is The Owlery's active involvement in protesting the new motorway in the "home town" of the business, which created engagement with the local arts community but also with several environmental groups (see Appendix 11, Table 4.4). Similarly, Einstein's Cycles has been actively involved in initiatives to promote cycling; this means engagement with cycling advocacy groups and other bicycle retailers.

Occasional meetings or visits. Throughout the interviews, participants also mentioned engagements with external others through occasional and incidental meetings and visits (see Appendix 11, Table 4.5).

For example, like many other sample businesses, Affinity and Whitcoulls Bank pro-actively contact, or meet with, civic organisations, such as NGOs or unions, to share insights on cause-related issues or topics. This may, for example, inform investment decisions (Whitcoulls) or point to areas in need of improvement, such as manufacturing facilities (Affinity).

In addition, participants mentioned visits from parties who operate in the same industry; some of which are, on a commercial level, competitors. For example, Prometheus shares their experience of running a sustainable bank openly with other interested banks. They have regular visits from banks (from all over the world), who come over to have lunch with them. Pendragon does a similar thing with other beer brewers, while Landriijk Insurance has dialogues with other financial services businesses.

Participants, such as Eden Breads and Pendragon, also mentioned regular conversations with national or local politicians. For example, the latter is "politically ... fairly active, also on the request of politicians; especially the regional politicians regularly ask us to think along with them, to philosophise on things related to creating a sustainable society".

In addition, many participants, such as Phoenix, Everest or Einstein's Cycles, have meetings with governmental bodies or agencies, in which they provide advice or experiential knowledge, often on the request of the governmental body. Due to their extensive experience with integrating people with a disability in the workplace, Donna from PSG is frequently asked to provide advice to related governmental bodies (e.g., integration agencies). Also, a participant like Landriijk Insurance "talk[s] to the [industry] regulator a lot ... about our values and what we are trying to achieve and what we are trying to do with the industry".

Participants also mentioned regular meetings with "traditional" stakeholders but in less than traditional settings or for less than traditional purposes. For example, Patrick (Green Valley) mentioned that over the years he has spent "a lot of time with customers, quite unusual, mainly kind

of core customers ... who really identify with our values and what we do". He goes to their houses and cooks with them; "these eating initiatives ... involve sitting around the table and talking about vegetables, supply chains, seasonality and that sort of stuff, which has led to changes". Occasional meetings were also mentioned with "inspirational" mentors or organisations that helped participants gain clarity about issues or situations.

Online interaction. Many engagements with external parties take place online (see Appendix 11, Table 4.6); through company websites, company-related social media or online forums/communities.

For example, "dialogues" between the business and others take place through company websites, on which any external party can leave comments. Most businesses go to great lengths to explain their efforts towards sustainability or corporate responsibility on their website, and generally include those areas where they are lacking or where they are unsure how to progress. In addition, through "blogging" on the company website, many participants explain the "why" and "how" of their business, while also asking for input or feedback. For example, Patrick's blog on the Green Valley's website explains their composting system; his challenges with finding a suitable ownership structure; and why they may use plastic rather than paper bags.

Most businesses connect with customers and other interested parties through social media such as Twitter or Facebook. Social media provides an instant and easy way of interaction. As Jeremy (Aveda Organics) explained, "It allows for a stronger connection with us and all of our consumers. Anybody can write anything they want. The good, the bad, the ugly, the beautiful, whatever it is, feedback".

These online platforms do not just allow for sharing of information about the business itself, but also serve as platforms on which ideas and opinions on social, environmental and political issues are shared and discussed. Even though the business may not be the focus, sample businesses generally initiate such discussions. For example, Jeremy from Aveda Organics instigated a discussion about the national elections; Nature Foods blogs about creating work-life balance; and many of the sample businesses, such as Mulberry Grove or Green Valley Organics, have online newsletters on their company website in which similar issues are brought up and discussed. Similarly, when the war in Iraq started, David (Prometheus Bank), who thought that the UK's involvement with the war was wrong on a number of levels, placed a link on the company webpage that showed the cost of the war in Iraq and how this cost equated to the number of affordable housing initiatives lost within a

certain local communities. In other instances, businesses initiated an online forum linked to, or embedded within, the business website, which enabled *others* to raise issues and start discussions. The aim of these was generally to create an online community, where people can connect with one another to discuss, or find solutions for, social and environmental issues. For example, Whitcoulls Bank's "For a better world" is an online forum that gives anyone the opportunity to contribute to a sustainable society in a variety of different ways. Among other things, the website offers the opportunity for those with social or environmental "solutions" to connect with like-minded people or "experts" with whom these ideas can be brought into reality. The website also publishes interviews and information related to sustainability, as well as blogs and reports of actions taken. These online platforms enable connections between the business and others, but also between community groups, NGOs, "changemakers", politicians and individual members of the wider public.

These findings show the openness of the sample businesses to the external environment; a tendency to focus their attention outwards and pro-actively engage with not only those associated with the business in a traditional sense, such as suppliers, customers and clients, but also with parties not naturally connected to the organisation in this way, such as competitors; NGOs; politicians; educational institutions; industry regulators; arts communities; advocacy groups and activists; change makers and a variety of individual members of the general public.

4.2.2. The purpose of external engagements

As alluded to in the previous section, participants mentioned several purposes for their external engagements. These purposes are discussed here: *Filling gaps in expertise, knowledge or skill; Keeping each other in integrity; Building knowledge and standards for values-driven business together; Advising or influencing government or public agencies; and Supporting the movement towards social and environmental change*

Filling gaps in expertise, knowledge or skill

Through external engagements businesses seek to access expertise, knowledge or skills that they do not have themselves. As Tom (Einstein's Cycles) said,

This coming together [happens] through some sort of openness and willingness to learn coupled with our mission. I mean, we have our mission, we have our gift, we have our calling, but we also have to kind of have a confession that we are lost. We are a little bit lost; there are things we can't really see.

In particular, participants mentioned reaching out because they had a lack of technical know-how or general business expertise. For several participants the primary reason for setting up the business had been the desire to effect societal or environmental change rather than having any particular affinity with, or knowledge of, a certain industry or product. At Phoenix, for example, an automotive panel and paint workshop, they “started from scratch, with absolutely nothing, just an idea”,

We wanted to create commercial work for deaf people and ... if ... there was plenty of work [for deaf people] in starting a factory that makes building supplies for example, we would have started that. But it seemed like there was work in this industry so we started with this. But in itself, both [the general manager] and me have no affinity with, or knowledge of this industry.

All the technical knowledge, therefore, had to come from others: “The machinery we are working with? Do I know anything about that? No, they were chosen by people who have knowledge of machinery Did I recruit these deaf employees or trained them? Not me, others did” (Phoenix). Similarly, when Mulberry Grove Organics was founded, “it was all about education and saving the world”. However, since Marianne came out of the not-for-profit sector and (initially) lacked affinity with the business sector as well as general business expertise, Mulberry Grove engaged with external others who could provide “business skills ... [and] would widen the skills base”. Donna (from PSG) also knew she lacked the necessary business skills; so when she needed a “proper” business plan for a new venture, she simply placed a draft online and invited external others to provide feedback on it.

In addition, participants mentioned connecting with external others to gain information about specific social or environmental issues. Many of the social or environmental issues these businesses seek to address are complex and multi-layered in nature; and at times relate to unexplored areas of knowledge. They reach out to external others to either learn from their insights and expertise, or to co-create not-yet existing knowledge. Green Valley, for example, collaborates with the University of Oregon through a Knowledge Transfer Partnership scheme. Rather than continuing their rather intuitive approach to eco-questions, they now co-develop the knowledge they need about the environmental impact of different packaging and transport solutions. As Patrick explained,

Unravelling the whole truth is not always easy We have already found out that some of our findings go against popular assumptions. Plastic can sometimes be better than paper and biodegradable and starch based plastics are not necessarily better than conventional

petroleum ones. The great thing about “doing the right thing” is that we can now start to explain why and share that knowledge with others.

Similarly, Whitcoulls Bank seeks “to contribute to the realisation of a sustainable society” and therefore only wants to invest in organisations that are sustainable in their operations. However, because “there are ... thousands of things on which you can compare [potential investments]” and they “want to ensure that we don't miss anything important”, they ask external others for their feedback. It “is a kind of testing what do these civic organisations think? What do customers or individual people think? From the idea, you know a lot about this, what do you think?”.

Keeping each other in integrity

Related to the previous, external engagements assist the businesses to maintain integrity towards its values and commitments. Some participants were quite aware that while they guard these commitments internally, they may still miss things or lose their focus at times. External others can inform the business of issues that they see as relevant and alert the business if it is not acting in line with its commitments. Rob (Whitcoulls Bank) reflected that the business needs to “be embedded within its environment ... like a natural organism, with all kinds of links to the external environment. It needs to be intertwined with others organisations that comment on your actions and that you also ask for their opinion”. For instance, Tim explained that “our customers drive our behaviour ... as well because ... [they] are wanting more environmental performance and want to know that ... there is ... integrity and no green washing, and an alignment throughout the company” (Nature Foods).

Building knowledge and standards for values-driven business together

External engagements also serve to build and disseminate knowledge *specifically* about the demands and challenges of running a *sustainable* or *values-driven* business. Participants reflected that, given the importance they give to non-financial values and commitments, “the decisions we make are not typical” (The Owlery). Pippa explained how “many other business groups don't have that sustainability mind-set; they don't understand when you say: what about it being locally-made in Holland? They just go, but overseas is cheaper” (The Owlery). Therefore, “what we are looking to do [with our group] is support each other with our decision-making and the challenges that we have but with that sustainable element in our decision-making”.

Participants were conscious that “we cannot invent the wheel alone” (Pendragon); that there is a need to support one another and “build up that knowledge and those standard kind of systems. That would save a lot of time” (Mulberry Grove Organics). The engagements in sustainable business

networks or speaking engagements at responsible leadership seminars, for instance, allow the business to tap into other businesses' experiences but also allows the business to support others to become better. As Tom (Einstein's Cycles) described, "You can't do it alone. I have come to the complete conviction that you have to stand with other people who will hold you to do this work. It is too hard otherwise".

Advising or influencing government or public agencies

External engagements also serve to advise public agencies and influence politicians. Based on their experiences, companies like Phoenix and PSG make suggestions to politicians and governmental agencies on how to approach certain social issues more effectively, often on the invitation of the latter. Donna (PSG) explained,

We now have [a large government organisation focused on the reintegration of people with a handicap into society] asking us to help them. They would like all their offices to offer [the approach PSG developed] to employers! That is an enormous change for them ... to admit, yes, we are actually unable to do this, even though they have been ineffective for the last 10 years. But it is positive; we now have a party with whom we can do this.

Influencing does not necessarily require an invitation though. Participants also "push" for changes in public policy or in regulations so that it supports their cause or business better. For instance, "Phoenix has become politically influential in The UK ... we are now really trying to change the rules around government funding". They seek a change in funding regulations so they can assist their deaf employees better; while individual funding is available for deaf people, as a business they need the option to apply for "group funding". Similarly, while not all participants felt compelled to actively influence politicians, some participants see it as their job and responsibility to do so. Landrijk Insurance, for instance, has a strong commitment to treating clients with honesty. To ensure that their insurance advisors work in the client's best interest, rather than in the interest of the insurance companies, they charge a fee rather than commission; an unusual practice in the insurance industry. Steven (Landrijk Insurance) actively seeks to alert politicians to the dishonesty of the industry and change industry regulations. To influence political decision-making, he speaks at conferences, to the press but also "to the labour party directly ... had meetings with [prominent MPs] and with the Treasury. I have met with [cabinet minister responsible for financial policy] ... and with [the prime minister]". It is important to mention here that even though lobbying politicians is not an unusual practice in business, the focus of these external engagements is not primarily the commercial

benefit for the business itself but to improve the conditions or circumstances of others.

Supporting the movement towards social and environmental change

Many participants expressed that they saw themselves as part of a greater, unofficial and unorganised movement towards social and environmental change, and many engagements serve to support this change through informing, educating and connecting external others.

While there is some overlap with the previous categories, where the majority of the engagements mentioned above mainly focus on a specific recipient or issue, these engagements have a “broader” purpose of alerting people to the need to change our way of thinking and acting in general. For instance, the organisation of a conference, such as the one at Pendragon, was focused on “trying to explain our way of thinking [about sustainability] and I consider this part of our responsibility; to convince people of the importance of this way of seeing things, because we think that it *has* to go that way”. Similarly, Rob (Whitcoulls Bank) explained, “We want to stimulate a development in, what we consider to be, the right direction”. As part of that they “inform customers about things they might not have thought about So we say, hold on customer, we have to start taking [for instance] biodiversity issues into account because of what is happening in terms of extinction”. In addition, as Rob explained, they have begun to mediate “between the NGOs, who want a lot from banks, and the banks, who constantly want to hold back and have commercial interests. By both parties our role in this is being appreciated and is being accepted”. While the business itself is not served by taking this role, they believe that closer relationships between NGOs and banks will assist in banks becoming more aware of where and how they invest, which, in turn will help create a more sustainable society.

Many explained how this informing and educating towards change is a core part of their business commitment. Pippa (The Owlery) said, “The end mission for us is to inform people ... along the way and empowering people” to make better decisions. To this end they give in-store information about the origins and impact of garments and predominantly sell eco-friendly, fair-trade products. Pippa said, “Even if they don’t buy our [clothes], they walk out with a sense of, hey, that’s a good fabric, maybe I can look for that from now on”. In fact, the clothes, the product they sell,

Is merely the tool to convey these values ... that essence of what we are about It is more than the product ... “it” connects people ... It is that deeper level of conscious social activity. And we do that through the clothes; and ... through dialogue and chat rooms.

It is also this desire to support this movement that motivates Landrijk Insurance to pro-actively seek out competitors and talk to them about changing to fees; Pendragon to actively work with other beer brewers or Prometheus Bank to open their doors for other banks.

As mentioned, in addition to informing or educating external others *directly*, businesses also *enable* connections between external others so they can inspire *each other*. As Tom (Einstein's Cycles) said,

There is a whole progressive movement of people and small independently owned organisations that are doing wonderful things Whether ... it's saving a river or running an organic farm as a non-profit, or doing community service Whether it's for profit or non-profit it's the same thing, you are ... trying to deliver a good, a service to the world Our big vision is that we'll be able get more people together and help to bring some focus to this movement.

The creation of online platforms (e.g., at Whitcoulls Bank, Prometheus Bank) is an example of trying to bring parties together and enable connections.

The whole concept of having an online site dedicated to non-profits ... we create a mini world. We're both a newspaper, we're an information provider, we're cultivating a movement here and doing it all on a platform of a bank, and so that's the heart of innovation. (Prometheus Bank)

4.2.3. The challenges of external engagements

Despite this openness to engaging with external others, the findings showed the challenges of these engagements as well. In this section I address the main challenges mentioned: *Partnership selection and relationship building*; *Transparency and letting go of control*; and *Resource constraints*.

Partner selection and relationship building

Some of the obvious challenges relate to building relationships between the business and external other, and to actually working together. Several participants mentioned that "finding the right partner" (Green Valley), who has similar goals or values can be difficult. In terms of finding organic farms to collaborate with, Patrick explained,

We took a 25% stake in [another farm] and then a few years later ...I asked them ... Where do you want to be in 10 years' time? And they said, we want to be ... on a Caribbean island somewhere, we just want to sell it. And I thought, oh my god, I have made a serious mistake here, because my thing is ... building and growing a useful business and it all feels very personal to me. It's not just about the money. So I bought them out.(Green Valley Organics)

In addition, the challenge of building trust between parties also recurred in the data. Whitcoulls Bank's Rob gave the following example about their relationship with non-profits. When they presented their thoughts around biodiversity to NGOs and asked for their feedback,

The first thing they communicate back ... is, but you are not going to say that we approved this. So, on the one hand they want us to consult them but on the other they are not willing to take responsibility for their part Sometimes ... (I personally have a lot to do with NGOs, so therefore the focus on NGOs) they are not quite certain yet what it means, stakeholder consultation, and what their role can be in that process. There is often a fear that they might be compromised or abused in a way.

In particular in "cross-sector" engagements parties may be distrustful of one another and not (yet) used to having an open relationship; many indicated that it would be necessary for a shift to take place in the mind-set from which each party operates. As Rob (Whitcoulls Bank) explained, they "come out of the activist world, out of an 'anti' movement", their old way has been to fight and to mistrust the actions of business, rather than engage on a relatively equal footing. Similarly, while non-profits might need to communicate in a less antagonistic way, business might need to embrace a less defensive spirit in their dealings with non-profits or activist organisations. For instance, while Einstein's engagement with cycling activists has been very important (they "called us to account and that started us on ... the path that we are most proud of: our involvement with advocacy"), subtle shifts in mind-set and approach were needed before engagement between the business and the advocacy groups could even take place.

Back in 1993 I wasn't even listening because they were irritating people: totally dysfunctional, a bunch of angry ... human beings They saw everybody ... as the enemy.... Anyway, I said ... you guys are not going to go anywhere with the way you are building this organisation we need to partner with the department of transportation, with tourism and we need to get the government on our side. (Einstein's Cycles)

Transparency and letting go of control

Parties also struggled at times with the (perceived) negative implications of transparency. Many of the engagements between the business and external others required that the business was open about its shortcomings, for example about a lack of practical expertise or knowledge; an attitude not necessarily natural or common for business.

As the following example of PSG illustrates, transparency made both those *in* the business as well as those *external* to the business, somewhat uncomfortable. When Donna had sent their draft business plan to external people for feedback, her co-director was shocked and fearful about showing their “weaknesses” to others, as well as their competitors getting access to sensitive information. In addition, when parties provided feedback, they did this by private email rather than online where others could see it, in particular when it was criticism. When she asked these parties whether she could publish their critique on their website, “they would say, no, no don’t do that! Because it will be damaging for you and it will haunt you. But we just said, it is good to receive criticism!”. She said, that is “the old world, the old way, where you can’t criticise [publically] and you have to receive it secretly Whatever! It is ... a present when someone takes the time to tell you something that you are not doing right!”.

In addition, there is a tension between being transparent and losing competitive advantage. In particular when sample businesses shared their “sustainable” practices with competitors, participants commented on the risk of losing a competitive edge when their “unique”, sustainable ways would become more widely spread. However, as for example, John from Pendragon reflected, “With these kinds of things it is not about that; it is pleasant that we have this leadership position when it comes to sustainability economically speaking, but that is not the goal. The goal is that we all start acting differently in this society”. Similarly Rob said, “As Whitcoulls Bank we have absolutely no commercial interest in helping other banks become more sustainable. However ... the long term goal is creating a more sustainable society. So if we can take that role, we will”.

Another recurring challenge related to the business letting go of control in external engagements. Participants commented that even though they see the importance of working with others, at times there is the “the temptation of the business owner to try to get control over this stuff yourself” (Einstein’s Cycles) and not involve others, simply because it is easier and faster. In addition, the more openness the business creates between itself and external others, the less control they seemed to have over the outcomes of engagements. In particular online avenues for interaction, which for

many businesses are the *main* avenues of interaction with society, customers, public and other external parties, are not easily controllable. Within online forums, misconceptions or critique about the company may arise, which the business cannot control. As Steve explained, there are some blogs about Prometheus Bank that show misconceptions about certain services. While he would like to respond to these blogs, currently there are no resources to do so, and also, there are privacy issues with social media for a publicly traded company that may inhibit interference with online blogs. As another example, Jeremy (Aveda Organics) explained how they approach the “critique” that may arise on “open” platforms such as Facebook

Transparency is a huge part of this company and what's happening on Facebook is a perfect example. Many companies would have deleted this man who is critiquing the company on our page and banned him ... but we don't believe in that; we believe people need an avenue to speak up.

Similarly, Rob (Whitcoulls Bank) explained that their communication with external others is becoming increasingly “flatter” (less centrally managed) with employees always being on Twitter or Facebook:

Everyone within the business starts communicating with those on the outside ... becomes a “spokesperson” for Whitcoulls Bank. Communication becomes much more organic, diffuse, somewhat boundary-less And you can't ... control or restrict that It means however that people inside the organisation determine, often on an emotional basis, how they communicate about the company or their work ... and that people outside might encounter multiple lines of communication, which might not always be congruent with one another.

For those participants who were experienced in utilising these online avenues, such as the banks in the sample, there was already an acceptance that trying to maintain control over what arises in such online forums was not only futile and would go against their commitment to transparency, but also, they realised that negative comments were often moderated by others without the business' interference. For example, in the case of a man who was “kind of attacking” Aveda Organics on Facebook, “all of our fans are starting to attack him because ... everything he's saying is unsubstantiated ... so I thought I'd hold back and let it play out” (Jeremy from Aveda Organics). Finally, the challenge for some of the businesses was not just letting go of control, but also the lack of “guidelines for online communication, there is nothing” (Whitcoulls Bank).

Resource constraints

Finally, having resource constraints was also mentioned as limiting external engagements. Interacting with others, finding suitable partners or projects, all of this requires time, money and other resources. For example, Thomas from Prometheus Bank said, “If we had more time ... and more money, we could do more. I mean as far as interacting, forming community boards and ancillary things and we just don’t have the time and money to manage that”. Another said, “Relatively we interact a lot with all kinds of stakeholders. I guess the limits to that are not so much determined by money, but mostly by time” (Pendragon). Tom explained,

That is honestly a real challenge; you do have to decide. I could probably make the company stronger by not doing some of these advocacy things a lot of the work on advocacy ... actually made us weaker because it took so bloody long ... I am a fairly valuable person ... if I go away it’s going to hurt You just accept it but it’s hard We think it was right to do it, it is somehow part of what we are doing (Einstein’s Cycles)

Jeremy of Aveda Organics reflected how the lack of time makes it difficult to establish and maintain groups of like-minded businesses, “I think at some point we should have a formal network and we tried to start one locally a couple of times, but everyone is so busy it’s so hard to get people together”.

4.3. Reflection on the findings

This section focuses on deepening the understanding of the engagement of the sample businesses with the external environment. Several interrelated features of external engagement can be identified from the data: *Partnership focus in external engagements*; *Business as a platform for change*; *External engagement includes the broad scope of human interaction*; and *The blurring boundaries of conventional roles*.

4.3.1. Partnership focus in external engagements

This feature speaks to how the sample businesses view external others and what kind of relationship they pursue. The previous sections show that external engagement is not just characterised by openness to a wide range of parties but there is a strong sense that, in their engagement with these

parties, the sample businesses seek *partnership* and see others as (potential) partners towards a common cause. Instead of a focus on managing or controlling external others, there is a sense that “we are all in it together” (The Owlery); it is about sharing the responsibility for social and environmental wellbeing with others. As one participant explained it, “for me, involving stakeholders is very important because I think that I am constantly trying to share responsibility for what I am trying to do through writing a blog and by asking for help” (PSG).

The emphasis in external engagements on *co-learning* with similarly-minded others (e.g., about sustainable business challenges); on *co-creating* knowledge or tools within partnerships with universities (e.g., Pendragon’s hospitality toolbox); or on *co-developing* sustainable products with NGOs (e.g., the green loan options at Prometheus Bank) spoke to this idea of partnership and of parties sharing the responsibility for what they seek to achieve.

4.3.2. Business as a platform for change

This feature speaks to the outcomes the sample businesses pursue in external engagements. As a review of the different functions of external engagements shows, while external engagements provide individual sample businesses with access to the information, knowledge and resources they need to fulfil their different commitments, central to many external engagements is not the individual business interests, but external others, a particular social or environmental mission, or wider society.

This was for instance reflected in the fact that businesses were often not concerned with a rational calculation of the commercial gain or costs of external engagements but focused on the perceived benefits for others or wider society. As John (Pendragon Brewers) explained, their “Go Local” initiative, which focused on bringing awareness to local produce and sustainability in local hospitality establishments, was “not a rational story; it was not based on research on whether or not it might be successful”. Instead, it “really comes mainly from an emotional connection to the project; we think it is important to bring people together and together we can benefit from that”.

Similarly, whether or not there was a “business case” for external engagement was often not a determining factor. For example, Whitcoulls Bank does “not have a business case for ... the online platform ‘For a better world’ or the talks we have with other banks They are an expression that you become increasingly more interwoven with society, with your stakeholders”.

In many ways the business is not the sole centre focus of external engagements. Rather than being the ultimate recipient of the outcomes of these engagements, it becomes a platform on which engagement towards change can take place. To refer back to an earlier quote, as one participant

said, “We’re both a newspaper, we’re an information provider ... and we’re doing it all on a platform of a bank”. The fact that the business does not necessarily take an active role in external engagements, but often acts as an *enabler* for connections to take place and stands on the “side-line”, also speaks to this focus of being a platform for social and environmental change. In addition, as reflected in the different comments from participants, the product, service or industry these businesses are in, are, for many, secondary to the platform it provides them to do their work from. As David said, “A bank is very much an interface to the public, the public comes to this website to do their online banking, so you can become a hub and a centre of influence” (Prometheus Bank).

4.3.3. External engagement includes the broad scope of human interaction

The findings suggest that the engagement of the business with external others is not defined, or cannot be understood, by a certain form of engagement or a single business exchange or transaction, but includes a broader scope of human interaction.

The interactions with external others go beyond just formal or organised engagements (through formal alliances or networks) and includes informal interactions, such as having a casual chat or eating together. Many engagements are not structured or scheduled meetings, but might be a chance encounter with an inspirational person; a quick phone call to an NGO to ask what they think or simply see how they are; or a quick exchange on Facebook. Engagements may happen through email, by mail, online or face-to-face; in a group setting or one-on-one. In addition, engagements with certain external others are often not defined by *one* form of interaction or a single exchange, but by a wide range (or a series) of engagements. For example, in terms of customers, Green Valley Organics connects with them online (e.g., through Facebook and the website); face-to-face (e.g., actual vegetable deliveries, eating initiatives) and by phone (e.g., complaints or orders). They exchange products (e.g., vegetables); thoughts on organic farming; insights on ownership structures and the use of plastic bags; support (e.g., through eating together) and feedback on how the company is doing or what should change. Finally, engagements may involve the exchange of the tangible as well as the intangible: it may be intellectual in nature, like the knowledge transfer programs with universities, or emotional and spiritual in nature, like the giving and receiving of support in business groups.

This broad scope of engagements points towards a relationship between business and external others which moves, in many cases, more towards a “normal” kind of human interaction where different aspects of life can be integrated rather than a “business exchange” alone. Similar to what

was found in Chapter 3, there is often not a stringent separation between the personal and the professional but more elements of life and being human can exist within engagements with external others.

4.3.4. The blurring boundaries of conventional roles

Finally, the findings show that sample businesses move beyond their established role in external engagements; in other words, they are accepting responsibilities conventionally held or claimed by others.

For instance, the sample businesses are no longer just an economic actor, a producer of goods and services, they adopt roles beyond this. As shown, Phoenix and PSG, by assisting with the employment of people with a physical disability and by promoting equality in the labour market, take a role that is traditionally held by government or government related agencies. Similarly, Einstein's Cycles steps into the role of activist or cycling advocate. Landrijk becomes an ally to the industry regulator and advisor to the government. Pure takes a role of thinking partner to its competitors. The Owlery becomes an "educator" of customers and Whitcoulls Bank steps into the role of "mediator" by bringing various parties together and helping them understand one another. Prometheus Bank takes a facilitating role through their online platform, while Green Valley Organics in its collaboration with universities becomes a co-creator of academic and practical knowledge related to sustainability and environmental practices.

As their different engagements indicate, for most participants, the *ultimate* role they seek to fulfil is to be a role model for an alternative, values-driven business; to be "an agent of change ... a light on the hill as a holistic business" (Einstein's Cycles). It was also within the context of wanting to be "a business role model" (Three Brothers) that participants sought to find a balance between their different roles and being commercially viable. As Christine explained, it is important "to show up in the business world as a company who understands the role of profit but also knows profit can't be at the expense of others" (Three Brothers). Participants describe that continued survival and commercial success was important as it would "show others that it is possible and that you can still function as a bank in his way" (Whitcoulls Bank).

4.4. Literature: Social partnership and collaboration

As mentioned in the introduction, despite the popularity of stakeholder theory in CSR studies, its appropriateness for conceptualising the relationship between the business and the external environment has been questioned. In particular, the focus on providing evidence of a positive connection between stakeholder engagement and corporate financial success has restricted CSR scholars in developing a more expansive approach to understanding the relationship between organisation and society (Margolis & Walsh, 2003).

As outlined in previous sections, the relationship between the business and the external environment is characterised by the active engagement with a range of external partners from a variety of sectors, and focuses, in many cases, on creating partnerships that benefit a social or environmental cause or the greater good. In recent years, a growing body of literature on social partnership and collaboration has emerged. Where previous literature on collaboration between organisations primarily focused on strategic alliances for mutual *commercial* benefit, this body of literature specifically addresses partnership and collaboration between business, government and civil society focussed on achieving social and environmental outcomes (Bendell, Collins, & Roper, 2010; Griffin & Prakash, 2010; Selsky & Parker, 2005). An overview and background to this literature is provided in 4.4.1 and I discuss the findings in the context of this literature in section 4.4.2.

4.4.1. Overview and background

In recent years, the academic interest in “social partnerships and collaboration” has been intense (Seitanidi & Lindgreen, 2010, p. 1), and studies on social collaboration have emerged in a variety of disciplines: in the field of business and society, which includes corporate social responsibility (CSR) as well as business ethics studies, management studies and international business research, but also in fields such as political science, health care, international development, non-profit management and public policy (Bendell et al., 2010; Crane, 2010; Kourula & Laasonen, 2010; Selsky & Parker, 2005). Within this literature, the phenomenon of social interaction has been described with a variety of related terms (Selsky & Parker, 2005), such as: multi-stakeholder engagement or partnership (Bäckstrand, 2006; Bendell et al., 2010; Glasbergen, Biermann, & Mol, 2007); CSR partnership (Seitanidi & Crane, 2009); social partnership (Nelson & Zadek, 2000; Waddock, 1991); social alliances (Berger, Cunningham, & Drumwright, 2004); cross-sector social interactions (Crane, 2010; Seitanidi & Lindgreen, 2010); cross-sector (social) partnerships (A. Clarke & Fuller, 2010; Googins & Rochlin,

2002; Jupp, 2000; Le Ber & Branzei, 2010; Seitanidi, 2008; Selsky & Parker, 2010; Vurro, Dacin, & Perrini, 2010) or CSSPs (cross-sector projects to address social issues) (Selsky & Parker, 2005); cross-sector collaborations (Rondinelli & London, 2003; Simo & Bies, 2007); cross-sector alliances (Arya & Salk, 2006; Austin, 2000; Sagawa, 2001) and intersectoral partnering or partnerships (ISPs) (Bitzer, Francken, & Glasbergen, 2008; Gazley, 2008; Waddell & Brown, 1997).

While the literature suggests that social interactions may differ in form and structure (Griffin & Prakash, 2010; Seitanidi & Crane, 2009; Selsky & Parker, 2005), the literature is predominantly focused on those interactions which take the form of *cross-sectoral* social collaborations or partnerships, with some arguing that social collaborations are inherently cross-sectoral (e.g. Waddock, 1991). As a result, studies on social collaborations tend to address either one or more of the four types of cross-sector social engagements: non-profit – business; government – business; non-profit – government (or public); partnerships that involves actors from all sectors (Seitanidi & Crane, 2009; Seitanidi & Lindgreen, 2010; Selsky & Parker, 2005).

The recent and growing interest in multi-stakeholder social interactions reflects the proliferation of cross-sector social initiatives and alliances in recent years (Austin & Seitanidi, 2012; Bendell et al., 2010; Seitanidi & Lindgreen, 2010; Selsky & Parker, 2005). Googins and Rochlin (2002, p. 129) see “a trend emerging both nationally and globally that is built on a new model of partnerships between and across the three sectors of society: corporations, governments, and the civil sector”, and some even speak of a “partnership craze” (McAdoo, 2001). Austin (2000, p. 69), among others, envisages a further intensification of interactions between non-profits, businesses and governments and predicts that “the 21st century will be an age of accelerated interdependence”.

Authors see a variety of recent developments that give rise to this trend towards cross-sector collaboration. For instance, collaborations within and between sectors are seen as a response to the failure of government and state agencies to adequately respond to human, social or environmental problems and the decreased role of government in general (e.g., government downsizing and privatisation) (Austin, 2000; Googins & Rochlin, 2002; Matten & Crane, 2005; A. G. Scherer & Palazzo, 2011; Selsky & Parker, 2005). Others emphasise that collaborative partnerships between business, NGOs, (local) government and other parties have emerged as a response to globalisation and the increasing influence and power of multinationals corporations (MNCs), and are a form of self-regulation through which “the regulatory vacuum that has emerged as a result of the process of globalization” is filled (Googins & Rochlin, 2002; A. G. Scherer & Palazzo, 2011, p. 900). Dahan, Doh, and Teegen (2010, p. 27) suggest that “either NGOs or firms may seek NGO engagement in settings where public regulation is weak or nonexistent”, for example in the situation where “multinational

corporations can effectively evade state oversight given national jurisdiction issues [or] as ‘new’ transnational issues emerge (such as carbon emissions reporting requires global coordination and private firm buy-in)”. Authors also mention the weakened state of the civil sector, in particular the lack of funds due to reductions in governmental funding and the growing “within-sector competition for resources” (Selsky & Parker, 2005, p. 7), as a cause for civil organisations to seek collaborations with better-funded parties in other sectors (Austin, 2000; Berger et al., 2004; Dahan et al., 2010; Googins & Rochlin, 2002). Another suggested cause for the social partnership trend is the growing sense that the magnitude and increasing complexity of environmental and socioeconomic problems facing societies throughout the world transcend the capacities of individual organisations and sectors to deal with them adequately, and that capacities must be enhanced by learning and borrowing from parties and organisations in other sectors (Austin, 2000; Austin & Seitanidi, 2012, p. 727; Selsky & Parker, 2005, p. 853; Waddell & Brown, 1997). As Bendell et al. (2010) explain

By bringing together their respective competencies and resources for the greater good, people in governments, business, civil society and multilateral agencies have sought innovative ways to respond to many contemporary sustainable development challenges [such as] climate change; ... ethics, governance and responsible investment; entrepreneurship and employment ... and sustainable financing for development. (p. 351)

Similarly, others point out that business and government are increasingly seeking collaborations with NGOs and other civil parties to mitigate negative effects of their activities more effectively (Dahan et al., 2010), or to create practices or strategies that will have a positive social or environmental impact (Austin, 2000). In relation to the latter, some suggest that business and government are re-examining “traditional philanthropic practices and [seek] new strategies of engagement with their communities that will have greater ... relevance and higher social impact” (Austin, 2000, p. 69).

Cross-sector social interactions between governments, communities, NGOs, businesses and other parties are therefore viewed by both academics and practitioners as a powerful and inescapable vehicle to address social and environmental issues (Austin & Seitanidi, 2012; Berger et al., 2004; Bitzer et al., 2008; Glasbergen et al., 2007; Googins & Rochlin, 2002; Kourula & Laasonen, 2010; Pavlovich & Akoorie, 2010; Visser, 2011; Waddock, 1989). More specifically in terms of business, these collaborative engagements are increasingly mentioned as “instantiations of ‘doing’ CSR” (Seitanidi & Crane, 2009, p. 414) or as “mechanisms for achieving corporate sustainability and responsibility” (Bendell et al., 2010, p. 351; Seitanidi, 2010); and are “an increasingly prominent element of corporate social responsibility implementation” (Berger et al., 2004; Seitanidi & Crane,

2009, p. 413; Selsky & Parker, 2005). In particular the collaboration between non-profits and business has received much attention within the literature as a powerful vehicle of effecting CSR (Austin & Seitanidi, 2012; Seitanidi & Crane, 2009).

4.4.2. Placing the findings in the context of the literature

Within social collaboration and partnership studies, three perspectives can be distinguished. The impact and implications of collaborations can be reviewed on an organisational level, a social issue level or a sectoral or governance level (Austin, 2000; Crane, 2010; Seitanidi & Lindgreen, 2010; Selsky & Parker, 2005). According to Bendell et al. (2010, p. 352), these three perspectives are the equivalent of analysing social collaboration from an office, a tower and a hill. Here I discuss each perspective and compare it with the themes of external engagements described in section 4.3; *Partnership focus in external engagements*; *Business as a platform for change*; *External engagement includes the broad scope of human interactions*; and the *Blurring boundaries of conventional roles*. Since “business” is the primary unit of analysis in this study, I pay particular attention to the organisational level perspective.

Within the *organisational* perspective, the processes, motivations, benefits and challenges facing parties in collaborative initiatives are generally examined (Bendell et al., 2010). Authors tend to emphasise the process of partnership building, and are concerned with the ways in which (formal) partnerships are implemented. Many are preoccupied with the different implementation steps involved in social collaboration (e.g., selection, design and institutionalisation). For example, Seitanidi & Crane (2009, p. 422) mention: partnership selection (which involves “determining effective criteria for partnership, designing appropriate risk assessment techniques”), partnership design (which involves “experimenting with and adapting agreements”) and partnership institutionalisation (which involves the development of “reporting mechanisms”). Others focus on the different stages alliances pass through over time (Austin, 2000; Austin & Seitanidi, 2012).

While this focus on *partnership* in the engagement with external others is similar to how the sample businesses viewed their relationship with external others (see *Partnership focus* theme), the literature tends to mainly focus on “formal” or “structured” collaboration, such as planned, contractual and/or project-based partnerships, and ignores the wider scope of external engagements found within the research. As discussed under *External engagement includes the broad scope of human interaction*, formal engagements were only *one* of the many forms of external engagement, with many other interactions being informal, irregular and ad-hoc in nature.

Similarly, while the literature emphasises the “formal” stages involved in partnership building and implementation, such as partner selection, it ignores the “informal” or casual aspects of external engagement found within the research. For instance, engagement through Facebook or Twitter does not involve “partner selection” as it is described in the literature. In addition, with this focus on formal partnerships, the emphasis within the literature is on forms of engagement that require agreement from both parties. However, the sample businesses did not always need a “willing” recipient for their engagement; in particular in the context of influencing politicians or government, they suggest alternatives without necessarily being asked to do so.

In addition, while the current literature describes *some* of the “partners” of the sample businesses, it does not explain *all* the different partnerships found within the research. For instance, as mentioned, the emphasis within the literature is on *cross*-sector collaborations. Even though such cross-sector engagements were found within the research, the findings also showed many *within*-sector engagements through which the sample businesses try and address social or environmental issues; for example, the sharing of experiences with like-minded businesses in business networks or with “competitors” (businesses within the same industry).

Current social partnership and collaboration studies therefore, only address *part* of the external engagements found within the research. An important implication is that the specific requirements or challenges of these *other* engagements are not explored either. For instance, while within-sector engagements are very much comparable in purpose to the cross-sector interactions mentioned in the literature, they carry specific challenges related to for example the risk of losing the business’ competitive edge when sharing certain “know-how”. Similarly, the social partnership literature is concerned with the *maintenance* of partnerships so that longevity of partnership can be ensured; however, while sample businesses show a similar concern when it comes to their formal partnerships, this focus on longevity is not necessarily an important requirement to explore for other external engagements with a different, short term nature, e.g., interaction on Facebook with public. Perhaps more important for the sample businesses, as discussed under the theme *External engagement includes the broad scope of human interaction*, is that the engagement with the external environments moves towards a “normal” kind of human relationship in which different aspects of life and business can be exchanged or honoured. Therefore, while much of the literature aims to make a practical contribution to the implementation of social collaboration, the actual usefulness of the information offered for values-driven businesses in current studies remains limited.

Within social collaboration and participation studies specific attention is often given to partner motivation for collaboration. The following core motivations are generally identified: resource dependence, which sees the lack of critical competencies or other resources as the core motivator for collaboration; legitimisation, which refers to the desire to associate with another party whose reputation, image or prestige would enhance the other's reputation or credibility; or the demand for accountability, which argues that increased public calls for accountability generate external pressure for organisations to seek new alternatives and strategies through collaboration with other parties (e.g. Austin & Seitanidi, 2012; Bäckstrand, 2006; Dahan et al., 2010; A. G. Scherer & Palazzo, 2011; Selsky & Parker, 2005).

However, while resource dependence was indeed an important motivator for the sample businesses to engage with external others, the literature differs from the findings in that many studies assume that it is pressure from external others that motivates business to engage in social collaboration (e.g., public call for accountability). The findings show clearly that the sample businesses are generally internally motivated to pursue external engagements. Recently, a few authors have recognised that collaborative social interaction may be less be about external societal pressure and more about a growing awareness *within* business to “seek to transform their own business and enterprise more broadly, due to their values and identity” (Bendell et al., 2010, p. 354). For example, in their editorial for a special issue on collaborative engagement for sustainability in the Asia-Pacific region, Bendell et al. (2010) comment,

Much of stakeholder theory has *assumed* a somewhat reactionary and defensive standpoint from the company, yet a new proactive agenda is hinted at by these papers; an agenda where business people seek to lead a transformation of business, as part of a “corporate responsibility movement”. (p. 354)

Interestingly, even though much of the social partnership literature mentions social partnership as an important mechanism for addressing social issues or as a vehicle of CSR, the *primary* outcomes sought or emphasised within the organisational perspective on social partnership are generally *not* social or environmental amelioration, but rather the benefits of the partnership for each of the collaborative partners and how these can be maximised (Austin, 2000). Similarly, there is a tendency to promote social partnerships on the basis of gaining competitive advantage rather than as a way to create social or environmental benefit (Austin, 2000; Austin & Seitanidi, 2012, p. 69) and for many authors “social alliances ... represent a melding of corporate strategy and social responsibility” (Berger et al., 2004, p. 59). Not surprisingly, within this literature the selection of social or

environmental issues is increasingly based on whether “they are, or are shaped to be, strategic, that is, supporting the [financial] core mission of the corporate partner” (Selsky & Parker, 2005, p. 853). However, the assumption or view that the business needs to commercially gain from the external engagement was not confirmed within the research at all. In fact, as discussed under the theme *Business as a platform for change*, while the current literature is concerned with calculating or estimating the commercial value or risk of a collaboration, the sample businesses do not always know the “gain” for the business and are often not even interested in rational calculations. Current studies do as such not explain those external engagements of the sample businesses that do not contribute to the commercial bottom line, or detract from it; such as helping competitors or spending resources on a cause or issue with no commercial return.

Also, the outcomes that the sample businesses pursue through collaboration are often not as tangible or pre-defined as much of the current literature would suggest (e.g., commercial return; certain tangible resources), rather, many of the outcomes sought are *intangible*, such as emotional support or increased awareness of social or environmental issues. It should be mentioned that within the literature, a few authors have criticised the “narrow, instrumental, and short term way focus” (Selsky & Parker, 2005, p. 852) of the social partnership literature, as well as the tendency to see social partnership predominantly as a way to address organisational needs “with the *added* benefit of addressing a social need” (Seitanidi, 2010; Selsky & Parker, 2005, p. 852, emphasis added). They note that *mutual* benefit to all parties is often emphasised as an outcome of social collaboration, and “win-win” situations are generally assumed (e.g., maximising partner value will also lead to create value-creating on a societal and environmental level) (Berger et al., 2004; Googins & Rochlin, 2002). Bendell et al. (2010, p. 352) have suggested that “multi-stakeholder ... partnership [is] moving from a methodology to an ideology – towards ‘partnerism’. We define partnerism as an orthodox view, that if managed well, partnerships always result in net positives for participants, communities and wider society”. While this focus on commercial benefits may have developed “because of a mixture of practitioners’ hope for change and their interest in securing funding” (Bendell et al., 2010, p. 352); Bendell et al. suggest that with this focus limitations, failures and challenges in the collaboration space may have been ignored, such as, for instance, the concern of NGOs that their integrity may be compromised in alliances with business.

A comparison of the challenges found within the research and those mentioned in the literature, shows that many partnership selection and relationship building challenges found within the literature, such as the mismatch of partners, challenges of mistrust and misunderstanding, are very similar to the findings (even though the literature focuses on *cross-sector* partnership challenges

only, and not on *within*-sector partnerships). Within the literature there is a shared understanding that “many of these problems are rooted in the cultural differences between the sectors” and that many result from the organisations’ inexperience in dealing with the other sector (e.g. Berger et al., 2004, p. 61; Googins & Rochlin, 2002; Seitanidi & Crane, 2009; Selsky & Parker, 2005); which was confirmed in the research study. Berger et al. (2004, p. 59) call many of these challenges “predictable”, after all, “when very different types of organizations work together, the stage is set for clashes of goals, objectives, values, cultures, strategies, management styles, and operating approaches”. However, the challenges connected to a lack of resources as found within the research are only mentioned by some authors (e.g. Bendell et al.); and those connected to transparency and letting go of control, as discussed in 4.2.3, receive very little mention.

There are some important implications of the prevalent (implicit and explicit) assumptions in the literature, many of which have led to shortcomings within social collaboration studies. The following will address some of these implications and makes some suggestions in terms of what this research can contribute.

This comparison shows that current social collaboration studies only address a small portion of the external engagements found within the research: it mainly focuses on formal partnerships between cross-sector partners. It does not explain the other forms of engagements, discussed under the theme *External engagement includes the broad scope of human interaction*, and does not explore engagements with within-sector parties, such as competitors. By ignoring these other external engagements, they fail to provide insight into the specific requirements and challenges connected to these engagements. In addition, the focus on more formalised forms of social engagement, especially combined the dominant instrumental perspective on collaboration, has the inherent danger of reducing social partnership to another strategic management tool or corporate responsibility fad. It might give the impression that social collaboration can be implemented involving certain steps or stages and as an “add-on” to business-as-usual, rather than a true integration of social and environmental responsibility in business. For example, a formal partnership between Rio Tinto and Earthwatch (such as examined in Seitanidi & Crane, 2009), might serve a social or environmental objective but might not equate to a responsible business approach in general.

However, possibly the most important limitation of the current literature relates to the (implicit or explicit) assumption of instrumentality as the main motivation for social collaboration (or placing the business as the sole centre piece of engagements), as this limits the *roles* in which studies can envisage the business. In other words, if it is assumed that business engages in social collaboration

to gain/sustain competitive advantage, studies do not consider or imagine the business in any other role than as an economic actor, or in any other sector than the business sector. As such, it cannot explain the fourth theme described: the *Blurring the boundaries of conventional roles* and that the sample businesses see themselves in multiple *other* roles than being an economic actor.

It should be noted that some studies do mention that the boundaries between the roles of different parties may change, but the implications for the business are not followed through leaving many important questions unexplored, such as the specific requirements and challenges of the business adopting (for instance) a political role, and how this may fundamentally change the current theory of the firm (Andreas Georg Scherer & Palazzo, 2007; A. G. Scherer & Palazzo, 2011).

Interestingly, while the literature that takes an *organisational* perspective on social partnership and collaboration remains limited in explaining the different features of external engagement found within the research, the *social issue* and the *sectoral/governance* perspective, *do* describe more of the findings of the research.

Studies that take the *social issue* perspective focus on “the efficacy of multi-stakeholder alliances in achieving progress on specific public issues” (Bendell et al., 2010, p. 352). Here, social or environmental issues are central and “organizations and interest groups are seen as stakeholders of *issues*, not of organizations” (Selsky & Parker, 2005, p. 352). Similar to what was described under *Business as a platform for change*, the individual organisation is therefore not treated as “the sole centrepiece of theory” and theory focuses for example on “the interdependencies associated with complex networks of relationships” (Seitanidi & Lindgreen, 2010, p. 1).

Within the *sectoral or governance* perspective, the focus is on how cross-sector engagement contributes to societal governance and the emergence of new institutional forms. Partnerships and alliances are viewed in context and in relation to one another, and this allows a reflection on “what is on the horizon if these new arrangements become more widespread” (Bendell et al., 2010, p. 352; Crane, 2010; Glasbergen et al., 2007). Many of these studies find, like the research study, that on a societal level new collaborations between business, government and civil society are blurring the boundaries between sectors and explore changing sectoral roles and changes in governance (e.g. Dahan et al., 2010; Dees & Anderson, 2003; Googins & Rochlin, 2002; Kourula & Laasonen, 2010).

Despite the overlap between the focus of these (social issue/sectoral) studies and the findings of the research, however, the obvious limitation is that studies that take these perspectives do generally *not* address the implications on an organisational level either. While much of the social collaboration literature recognises the relevance of studying the implications on *all* these levels, currently the vast

majority of studies focuses on *one* main level only. Even though scholars from across politics, development studies, international relations, sociology and other disciplines have been attuned to the implications on a sectoral/governance level for some time, few have “tackled” cross-sector social interaction “directly as an organizational form that is a distinct manifestation of societal governance” (Crane, 2010, p. 17). Management researchers in particular, “have largely steered away from considering their broader political implications” (p.17).

Similarly, while the implications on a *social issue* level are discussed within the fields of international development and political science, they are underdeveloped in management and organisation studies (Bendell et al., 2010). Some authors (e.g. Bendell et al., 2010; Seitanidi & Lindgreen, 2010) call therefore for social collaboration research that is integrative, which takes all three levels into account and asks different questions. New fields of enquiry would include the study of “shifting boundaries of social sectors; the emergence of new organizational forms as a result of intense interactions; the development of constellations of entities that address pressing social problems; the legal and governance implications of intensified interactions”, but also “the effects of organizational and collective identities; the development of multilevel models that can be applied in different contexts; and change as a result of interactions between context and action” (Seitanidi & Lindgreen, 2010, p. 2).

In conclusion, this research, with a focus on external engagement beyond commercial, planned and formal partnerships (with cross-sector parties only), contributes to a more comprehensive understanding of the engagement of values-driven businesses with the external environment. By going beyond the assumption that the business is commercially motivated to engage in social collaboration, it explores social partnership and collaboration not as a strategic management tool towards commercial success, but as a possible instrument towards societal or environmental change (Berger et al., 2004). By including a reflection on the social and sectoral implications of external engagement, it provides a more integrative conceptualisation of social partnership and collaboration, and with that makes an important contribution to this body of literature. In addition, by addressing some of the requirements and challenges of non-formal external engagements, it gives a more comprehensive insight into practical social collaboration implementation. Also, the research contributes to the general CSR literature. As discussed in the introduction, the CSR literature is concerned with conceptualising the responsible relationship between the business and the external environment. The four themes discussed in 4.4 provide an important starting point for a conceptualisation of this relationship that goes beyond the general assumptions related to the stakeholder perspective, which, as discussed above, tends to see the business as externally

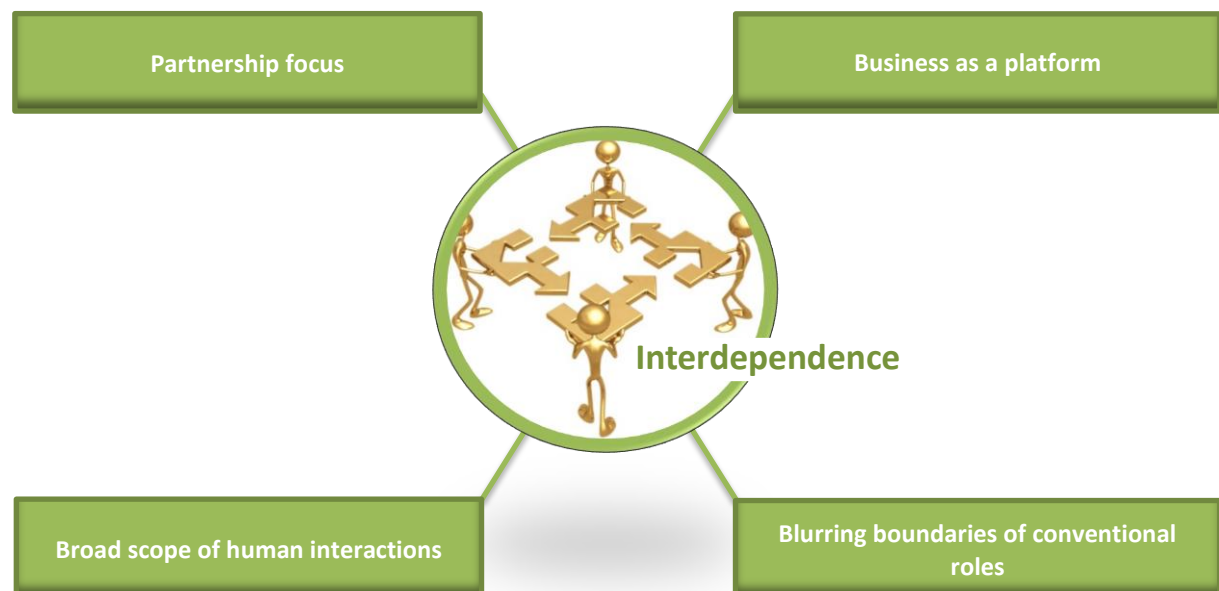
motivated to engage with external others, and places the business central in the network of engagements.

4.5. Theoretical implications: Interdependence and co-responsibility

For theory to make sense of the nature and extent of the external engagements found within this research, it needs to look at the underlying assumptions or worldview of these businesses that drive these engagements. As shown in the previous section, the dominant assumption that a commercial interest drives external engagement, cannot explain the findings: *Partnership focus in external engagements; Business as a platform for change; External engagement includes the broad scope of human interactions; and the Blurring boundaries of conventional roles.*

The research suggests that what underlies external engagement is an understanding that the business and the external environment are *interdependent*. And, as illustrated by figure 4.1 it is this understanding of interdependence that informs and explains the different features of external engagement.

Figure 4.1: Interdependence



The businesses do not separate themselves from their external environment; rather “sitting on our own little islands” (Pendragon Brewers), these responsible businesses see themselves as interdependent with external others and society.

On one side, as a business, they understand that they have a dependency on the external environment. They know they need others for information, knowledge, skills and expertise; but also for inspiration, for support and to keep the business in integrity. Tom reflected this understanding when he said, “No leader should stand alone, no organisation should stand alone ... organisations cannot become whole until they begin to stand with other organisations, other people” (Einstein’s Cycles). On the other side, however, they also understand and honour that the external environment needs *their* help and support. That they are part of a greater community and have an inherent, shared responsibility for these external others. As Donna (PSG) said, their willingness to take on these tasks that traditionally sit with government “just comes from understanding that we are a community From a feeling of togetherness, this is *our* society and you look out for those people that do not have the same chances as others”.

Their extensive external engagements can therefore be understood as an honouring and expression of that interdependence with others; the understanding that by coming together, through “connecting and uniting ... we all become stronger” (Pendragon Brewers).

An important theoretical implication is that this central notion of interdependence points towards a concept of corporate social responsibility that is not a *business* or *corporate* responsibility only, but is instead a *shared* responsibility for the common good that requires the active involvement of other external parties. After all, working toward social and environmental betterment or change requires these others in the external environment to take responsibility for their part, their contribution, as well. In other words, other parties need to step up and go beyond their conventional roles as well. For instance, to refer back to the findings, to give Whitcoulls Bank the input it needs for deciding on the “right” investment opportunities, NGOs and activists need to move away from being “antagonists” and accept their responsibility as information provider. Similarly, in order to work together towards a more cycle-friendly society, advocacy groups needed to take their responsibility as thinking partners. In order to help Green Valley Organics to make better environmental or social decisions, customers or the public need to go beyond their role of purchaser or inactive bystander, and accept their responsibility as thinking partners, or even “whistle blowers”, as well.

Theorists in the field of corporate responsibility, who seek to conceptualise the responsible relationship between business and the external environment, as well as theorists in the field of

social partnership and collaboration, who seek to conceptualise an integrative approach to social partnership, face therefore a challenge of balance. For their conceptualisations to be useful towards the business practice, they will need to be business specific in their analysis (e.g., what implications does a blurring of roles have on a business level), while at the same time *not* losing sight of the fact that corporate responsibility is *not* a solely business-centred concept. There is a need to develop a concept of CSR that takes both sides (the business and the external other) into account.

A key area of further exploration relates to what encourages engagement between different parties and what inhibits it. Similarly, given that it is a sense of interdependence that motivates interaction, what promotes this sense between parties and what detracts from it? Collaborations between CSR scholars and those who have an understanding of how NGOs, activist or governmental agencies operate could assist in finding answers to such questions.

In addition, and as alluded to by some authors, collaboration between CSR/social partnership scholars and those in fields such as politics or international development will help shape a more inclusive concept of corporate responsibility, which takes social and sectoral implications into account, and may also help management and organisational scholars to go beyond some of the engrained assumptions mentioned above. In particular since the research findings suggest a significant shift in perspective, collaborations with scholars who have a significantly different set of assumptions may help “shake” CSR scholars away from old ways of thinking about business.

Also, it would serve CSR scholars to be less “business –like” about external engagements; the tendency within organisational scholarship to emphasise the “business” side of interaction means that often the “normal” human element of relationships is forgotten, or not taken seriously. Even though engagements between the business and others may serve a business purpose, they are first and foremost engagements between human beings. These businesses honour their interdependency with others through “formal” partnerships, yes, but also through “normal” things thoughtful human beings do: like a quick phone call to check in with the CEO of that NGO, who is going through a difficult time. The point here is that these elements need to be a part of the picture of external engagement; otherwise scholarship will continue to find a “sanitised” or “rationalised” picture of what the relationship between business and others looks like. I do not suggest that researchers psycho-analyse these relationships, but if researchers draw on their own experience of being human with others, they may gain a more comprehensive and more realistic picture of what a responsible relationship between business and others entails.

Finally, when traditional boundaries “blur” and when parties accept different roles, there are some important theoretical implications for not only the “traditional” theory of the firm (as suggested by e.g. A. G. Scherer & Palazzo, 2011)) but also for the general concept of “business”. In particular, if the traditional boundaries around the business and other parties fade, it might be necessary to review how we then define what a “business” is (and what “the external environment”), or how this may develop in the future. As one of the participants suggested,

In the long run we might simply see certain nerve centres in society from where certain, concrete activities happen. So you may have a Whitcoulls Bank nerve centre, around which a group of 100 or 150 people have interactions with one another about what needs to happen, but who have also lines to the external environment around what needs to happen.

This may also require a reconsideration of what we see as core to business. Rather than the organisation being defined around a certain product or service, responsible organisations might be better defined in terms of their social/environmental commitment, which forms the gravitational force in all that they do. These broader implications are an important area for future exploration.

4.6. Practical implications: Enabling co-responsibility

Several practical implications are identified from the previous. The understanding of corporate responsibility as a shared responsibility means that there are practical implications for the business and external parties individually, as well as for the interaction between the two.

In relation to the first, one implication for business is that, in order to be able to be *open* to receive resources available through external others, the business needs to be humble about their own knowledge, ability and skills; to be “of modest pretensions” (Oxford Dictionary of the English language) and accept that others may know better. For instance, The Owlery could only be open to the experience and resources present in the sustainability business network because they realised that their knowledge about running a sustainable business was limited and others may know more or better.

While a concept like humility may appear strange in the context of business (Goodpaster, 2000, 2007), Goodpaster (2000, p. 197) suggests that humility is manifested in business by an “awareness of falling short, together with a commitment to improving on the shortfalls, [this] is understood and

taken seriously". This awareness and clarity about having shortcomings and the likelihood of falling short from aspirations, was very clear from the participants' comments. This was for instance reflected in an earlier mentioned quotation from Tom, who explained that "coming together" with external others is possible through "some sort of openness and willingness to learn coupled with our mission We have our mission ... but we also have to kind of have a confession that we are lost There are things we can't really see" (Einstein's Cycles).

Showing humility in terms of own capabilities, however, is not something which is common or natural in the way business, as well as organisations in general, currently operate. As one participant said, "Part of wisdom is knowing what you don't know, and yet in business and society generally, we are trained to either know or convince people we know ... It's often a sign of weakness to *not* know" (Pure).

The obvious practical implication for external others is that they need to step up to their responsibility as well. However, as shown in the findings, this awareness or the experience may not necessarily be there. Some participants explicitly referred to the need to model practical ways in which such interaction can be stimulated and to find particular platforms on which this can take place. Tom from Einstein's Cycles indicated the importance of meeting with other CEOs, as well as academics, to create theoretical and practical knowledge about responsible business *together*. He saw the need for some kind of systemized or institutionalised way in which "the academic world, or the theologians and business people really structure how they work together", which would allow for this collective reflection.

Another practical implication relates to the actual interaction, relates to finding ways of communicating, establishing trust and dealing with differences between parties from different sectors.

4.7. Limitations of study

Several limitations to the study can be identified. While this study indicates broad tendencies in the relationship between the business and the external environment, many of the detailed elements or specific implications remain under-explored and require further exploration.

For instance, the research does not provide insight into how businesses make decisions on whether or not to take an advisory role towards competitors, or what the exact implications are of the business taking a more political role. In addition, while the findings point towards a relationship where the roles of both business and the external others is less defined, since the research only focused on the business-side of these engagements, the insights of external parties are not yet explored. How do they experience the relationship with the business? And what are their challenges? Also, how may awareness be raised within external parties about their role in effecting corporate responsibility? What inhibits them to accept this responsibility? As referred to in the previous section, a key area of exploration relates to how engagement between different parties be encouraged and stimulated. What promotes a sense of connection between parties and what detracts from it? Are there certain ways or structures in which multi-partnership interaction is more effective? Are there certain models for such interaction?

Also, the findings indicate that while all sample businesses show the tendency towards sharing responsibility with external others, there was a difference between those that engage more actively and intentionally with external others and those that do not. Since this was not a comparative study, it did not provide an in-depth insight into what caused these differences. For instance, while Chalmers and PSG faced a similar “reality”, a struggle for survival and a lack of financial resources, PSG kept opening itself up to working with others and seeing opportunities, while Chalmers seemed to have closed-off a little to the external environment, and saw mainly challenges in terms of external others rather than opportunities. Further research may investigate what underlies these differences, and what circumstances may cause “closing off” or “opening up”. There was some suggestion within the research that this may have to do with whether the underlying “paradigm” of the business was fear or trust. For some participants, such as Chalmers, past disappointments in interactions with external others had created a sense that (external) others could not be depended on and that the actions of others should be feared. This shifted them away from experiencing and expressing interdependence and they became more internally focused. There was some indication that participants shifted between these two paradigms of fear and trust, as personal or external circumstances changed. However, further research is required to explore these ideas and differences further.

4.8. Conclusion

This chapter shows that a responsible relationship between values-driven businesses and their external environment is not defined by commercial business interests, as is often implicitly or explicitly assumed in the social partnership literature as well as the CSR literature, but is based in an understanding of interdependence between the business and external others. Their external engagement is an expression of *knowing* that they are an integrated part of the external world, rather than being separate from it, and that they both require the help of others, but also have a responsibility to help others. The chapter shows that to effect social or environmental betterment, the business and various external parties need to stand together. Not by the business managing or controlling external others, but by working towards partnership. Corporate responsibility should not be understood as a solitary activity but as a *co-responsibility*, which requires the *active* involvement of external others. Without external others stepping beyond their conventional roles and offering their contributions, these responsible businesses will not be able to fulfil their responsibilities or commitments towards the betterment of society or the natural environment. As shown, this has important implications for the theorisation as well as the practical implementation of corporate responsibility.

Chapter Five: Beyond the holy grail of CSR implementation: CSR implementation as an emergent and evolutionary process

It is a process of change and learning and development You have a vague vision or dream, and it grows and evolves and becomes more concrete. You figure it out as it comes along ... It evolves, it emerges. (Everest)

This has been an evolving journey. We did not start the company on day one and say, these are our uncompromisable values. But over the years it has evolved and it is still evolving. (Eden Breads)

5.1. Introduction: The implementation gap

The previous chapters focused on the particular responsible practices the sample businesses have adopted and provided an introduction to what it means to be a values-driven business. This chapter goes beyond a practice focus and takes a process perspective. It explores the overall process of CSR implementation: how the sample businesses come to understand their values and commitments, as well as how they design and plan their corporate responsibility activities within the business.

While there is growing consensus about the importance of an extended responsibility for business (Cramer, 2005; Dahlsrud, 2008; Jamali, 2006; Ketola, 2008; Panapanaan et al., 2003), the organisational processes “related to CSR interpretation, implementation, and integration in organizational structures and activities [are] essentially ignored” (Brickson, 2007; Campbell, 2006; Lindgreen, Swaen, & Maon, 2009; Maon & Swaen, 2009, p. 4; Orlitzky et al., 2003). This lack of attention for the “how” of CSR implementation is surprising given “its high practical relevance” to business (Schembera, 2012, p. 6). Understanding the process by which CSR is designed and planned for is particularly relevant given that CSR is in essence about the business responding to the complex and turbulent social and natural environment in which it finds itself, and is, therefore, by nature a flexible rather than a fixed concept.

As alluded to in Chapter 3, the tendency within CSR scholarship to focus on the “what” of CSR (on “content” or “inventories” of CSR practices) without necessarily investigating the internal processes that occur when organisations engage in such activities, is in part responsible for this gap (Basu & Palazzo, 2008). In addition, as mentioned, a preoccupation within CSR scholarship with the financial outcomes of CSR activities for the firm, has led to “a near absence of operational and process-based information” (Bolton, Kim, & O’Gorman, 2011; MacLagan, 1999; Porter, 2008, p. 399).

This chapter seeks to address this gap in the literature and explores the process by which CSR implementation takes place, or, to use Maon, Lindgreen, and Swaen (2010)'s terminology, how CSR "unfolded" within the sample businesses.

As a general comment in relation to the focus of this chapter: the challenge of continuously "balancing" the multiple, and often competing, business commitments (e.g., balancing financial wellbeing with environmental commitments) is an important element of the CSR implementation process for the sample businesses. However, since this is explored in the next chapter, it does not receive much attention here.

In findings section 5.2 I describe the process of CSR implementation as found within the sample businesses. Section 5.3 then gives a reflection on these findings, while 5.4 describes the challenges to the CSR implementation process. In 5.5 I compare findings with the relevant literature. Sections 5.6 and 5.7 explore the theoretical and practical implications. The chapter concludes with a description of the limitations of this study in 5.8 and a conclusion in 5.9.

5.2. Findings: The process of CSR implementation: "We are in the river"

This section describes the process of CSR implementation found within the sample businesses. As is illustrated below, CSR implementation is an ongoing, emerging and evolving process. The findings show that this ongoing nature arises under the influence of *two* related parts to implementation. The first part relates to how the practical experience of how and where to implement CSR emerges and evolves over time; this is described in section 5.2.2, "Doing". The second part relates to the emerging and evolving understanding of *who* the business is, its core values and commitments; this is described in section 5.2.1, "Being". The interplay between these two parts is described in 5.2.3.

The understanding of implementation that arises from the data, as such, does not equate to the "official" definition of "implementation". According to the Oxford Dictionary of the English language, implementation is "the process of putting a decision or plan into effect; execution" (Implementation, 2010). This implies that the decision or plan is already made and that implementation is the "next step" of putting it into action. In the context of CSR implementation this would imply that the decisions or plans about what is to be implemented (e.g., values or commitments) are already made and that implementation is about the realisation of these decisions. However, as is shown here,

implementation in these businesses is not merely the putting into action of an already made plan, but *includes* the process of deciding what important and what is to be implemented as well.

A brief note about the terminology used. In this chapter I use the terms “values and commitments” to point towards what is core importance to the businesses’ existence. While interviewees may have used a different terminology (e.g., purpose, mission, philosophy) and while I acknowledged that these terms may not refer to precisely the same thing (e.g., “values” may refer more to “how” the businesses seeks to act, while “purpose” generally refers to “what” is to be achieved), for the argument made in this chapter it was not important to separate these terms out.

5.2.1. Being: Emerging and evolving understanding of values and commitments

The findings show that within the sample businesses the understanding of the core values and commitments emerged over time. In addition, there was not a “one-off” identification of values and commitments but they were revisited and evolved over time. As described here, the founder as well as the collective of organisational members play a part in this process.

The founder’s part in the process. The initial understanding of values and commitments generally emerged from the founder. While founders had differing levels of clarity at the outset, for all founders the understanding of what is of core importance to the business emerged and became clearer over time. As one participant said, “You have a vague vision or dream, and it grows and evolves and becomes more concrete. You figure it out as it comes along ... It evolves, it emerges” (Everest). For instance, Patrick explained that his vision for Green Valley Organics is

More conscious now than when I started ... I knew that being outside was important to me, it had to be with food I did not have any particular commitment to organic production then I was not on a mission to save the world or ... or anything I certainly was not conscious that I was starting a business for ethical reasons.

This emerging understanding happened in the course of being in business and was generally triggered by conversations, observations or events. Tom (Einstein’s Cycles), for example, was prompted by an external mentor, who at some point said

I want to see you write a lot more about: what do you think is the kind of the red thread ... the kind of underlying ... principles here? What are the things that you consider kind of sacred in

the way you have been going about this? So I began to write about these principles or sacred ideas

Mark, on the other hand, became clear about Everest's commitment to employees, "through observation When I first started employing staff I saw how much they gave themselves to the organisation.... That really touched me ... I wanted to reward that". For Pippa, the commitment to locally made fabrics really emerged "after having children. I couldn't bear the way fabric would just arrive here, just not knowing where it came from, how it's made, who made it. All I got was a visual of the dye in the river" (The Owlery).

In addition, from the data it was clear that once founders had identified a clear social or environmental vision, this was not a "one-off" and the understanding of what is important evolved further. As Donna explained, while she had already identified PSG's *social* commitment, she had "never thought about the environmental impact. When [her personal mentor] said, you are a very large polluter with those cars driving around [for her gardening business], Donna, what are you gonna do about *that?*", she decided, "Now we want to be greenest business as well!". Similarly, at Three Brothers they "tweaked the values over the years"; they added a few because "when we identified the original values, we didn't have any customers or co-workers so it hadn't really occurred to us to include them in that". This broadening of adopted values or commitments was common within the sample businesses and many described a similar situation: they had not thought about including a certain commitment until, through being in business, it came to their attention.

The collective's part in the process. In particular in the beginning of the business this emerging and evolving identification of values and commitments was commonly focused around the founder; however, for the vast majority of the businesses *further* exploration happened collectively. For instance, while Tom (Einstein's Cycles) had "done a lot of writing on the core values, articulating ... different principles", a few years later a group of employees, from across all functions, reflected on the company's values and commitments from their perspective.

Over a year or two many iterations came out ... everybody in the company had their hands on it It had started a whole conversation, about what we were about, what our identity was and what our purpose was in the world What were we dreaming off? ... A lot of the essence of what I saw was still there, it had become a little different but that was ... what was good about it.

This collective reflection was often motivated by a desire to clarify “what we stand for” as a company and “make sure that they’re still accurate and consistent with who we want to be” (Three Brothers). As one participant said, “The company was growing and ... people said, boy, we really would like to know what we stand for!” (Pure). Over time, as more people joined the company, a realisation crept in that things may have changed from the initial founder reflections and that some “tweaking” of the values would be necessary. Jeremy noticed, “As the company grows [and] you get more employees ... [who] have more wants, needs and concerns ... it evolves from there. It’s kind of like its own eco-system; the identity of the company emerges from the collective” (Aveda Organics).

Within the process of collective exploration of the values and commitments, participants went to great lengths to involve all staff and hear everyone’s voice. Participants repeatedly mentioned that the values and commitments of the company should represent what is truly held, rather than being “thought-up”. As such, many surveyed their staff and asked “a whole pile of questions ... What do you want from the company? What’s important to you? From that we ... distilled the values ... and these were things that were actually deeply held: beliefs and things that were important” (Everest). Similarly, when they were creating a mission statement at Affinity, it was “really an attempt to reflect the existing values, not to impose new ones on the company, but ... to articulate, what were the things we really believed in? What was important to the true essence of this company?”. This collective exploration generally involved going backwards and forwards between suggestions; discussions and dialogues focused on clarification; and honing this down to agreed values and commitments. Interestingly, many believed that the values or commitments were already present within the collective and simply needed to be “unearthed”; as Jeremy said, there is “this whole slew of things that we believe when you boil down the company They are already part of the company”.

As with the founder reflection, this collective reflection generally did not happen only once. Some had the review of values and commitments built into their formal planning cycles. Mark explained, “We did not review or reflect on those every single year but at least every three years ... Sometimes a bit more frequently, but generally it was a 3-year cycle”. Others included a review of the values in their regular company get-togethers: “Every so often we have an evening or a day and we look at the values and the vision, with mainly staff. We have an Aroha day a couple of times a year, generally at that kind of event” (Aroha Events).

While the businesses did not move away from the commitment to being a values-driven business, and while the essence of the founder's intentions for the business survived, the precise definition and collective understanding of the values and commitments kept evolving.

In summary, the company values and commitments are not set in stone from the beginning; through being *in* business and through founder and collective reflection, they emerge and evolve. As Paul from Eden Breads said, "This has been an evolving journey. We did not start the company on day one and say, these are our un-compromisable values. But over the years it has evolved and it is still evolving".

5.2.2. Doing: Practical implementation evolves over time

The findings show that on the "Doing" side of the implementation process, the practical experience of both *where* and *how* these values and commitments are translated into action emerges and evolves over time as well.

For instance, this applied to the *areas* within, and outside, the business in which the values and commitments are expressed. Even though participants argued that the values and commitments should be applied to *all* areas of the business, the reality was that businesses applied the values and commitments initially mainly to the core product or service. As Pippa (The Owlery) remarked, "You go into your core business and you are questioning what your core business is, what the process is, how can we minimise, what can we do better. And it just goes on from there". At Mulberry Grove Organics they expressed their commitment to social responsibility in several core business areas; however, after a workshop on "sustainable marketing" Marianne realised that social responsibility could be applied to the area of marketing as well, and would involve not "lying" to customers in marketing images. "Of course, when they explain it, it is so obvious!"; so now they only use "real" fruit and vegetables in their advertising, and "the people that we have in our photos as well, we will never use models; we use real people". Similarly, at Prometheus Bank, "incrementally, year by year, I was able to ... find some fertile ground to plant those values around social justice and civil liberties here". For instance, "we were very involved in homelessness A couple of years later ... we took that commitment to ... affordable housing and into special needs housing ... After that there was ... issues of diversity". As such, rather than "waking up one day and have an epiphany" about all the areas in which their commitments could apply, "I refer to us as sort of raging incrementalists, we took an issue up year by year". Therefore, over time, by being *in* business, these businesses learn incrementally about the different areas in which their values and commitments can be applied.

Similar to the previous section, this generally involved some sort of “trigger”; like a workshop at a sustainability conference (Mulberry Grove Organics), by someone alerting the business to “pressing” social issues (Prometheus Bank), or by mentors, NGOs, employees or customers pointing out other areas of attention. As Jeremy explained,

Things that started from the beginning was of course organic [products] As we grew and hired our first employee, a big thing was living wage ... And then after that, a lot of things came up through the employees ... from what they ask for and what is important to them ... And then a lot of things from a formulation standpoint ... came from just running the company. (Aveda Organics)

In addition, the practical knowledge of specific organisational *practices* also emerged and evolved over time. While the business may identify an area where the values should be applied, this does not mean that they know what to do. As one participant said,

There is not something like a blueprint of, how do you do things as a sustainable bank; this is how you implement it. For Human Resources for example, you can open a handbook But for a sustainable business you don't have these handbooks It is still quite a young discipline, really. (Whitcoulls Bank)

For instance, as mentioned in Chapter 3, while Affinity wanted to apply their commitment to collaboration to the area of leadership as well, they “had no idea what that was going to mean, it was a real shot in the dark”. What leadership structure would work?; should there be a leadership team?; how should decisions be made?. As Tom (Einstein's Cycles) explained, it is through “playing out the possibilities of thinking and being and acting this way ... improvising, getting groups together, working on different projects, thinking of things in new ways” that practical implementation takes shape.

In addition, where and how the values and commitments are applied is also shaped by the internal and external circumstances; what is required within the company, what is changing within the external environment. As Brian from Phoenix said, “What we try to do ... is making progress towards our commitments and at the same time making sure we are not falling over. Is that a good look, a good balance, at any point in time? No, it isn't”. Or as Paul from Eden Bread explained, “The path you take will be altered by circumstances rather than set in stone You have to take into account

the circumstances of the day: where is the pressure coming from customers? How much money do we have?”.

The experimentation of adding and fine-tuning different practices, and responding to the circumstances at hand leads to an ongoing, emerging and evolving process of practical implementation.

Participants mentioned several practices that supported this part of the process. For instance, to stay open to suggestions about how and where the values and commitments can be applied, open communication channels were important. Some businesses had designated tools or platforms through which internal and external parties can raise issues and make suggestions. Some of these were discussed in the previous chapter, such as social media tools (e.g., Facebook or Twitter) or online forums (e.g., Prometheus and Whitcoulls Bank). “Suggestion boxes” were also mentioned. For instance, Nature Foods has a “traditional” suggestion box where people can leave written suggestions, while Landrijk and Affinity have dedicated online “boxes”. In addition, some businesses (e.g., Three Brothers, Aroha Events) have regular employee surveys through which feedback is received on what other things the business can do or do better.

Other participants referred not to specific tools as such but to having or supporting an “open culture”, where making mistakes is okay and where giving (critical) feedback on the company’s performance in relation to its values, is also normalised. The following quotation illustrates this “normalisation”

We work really, really hard at keep getting it right but sometimes we don’t get it right; oftentimes we don’t get it right and people tell us. And so that’s when we sit back and we say, okay what needs to be adjusted? (Affinity)

At Aroha Events, for instance, they make a point of “Celebrating Mistakes” and they have pre-approval practices that allow people to “run” with ideas without being “bugged down” by procedures. This all supports not a “no blame” culture, where learning and experimentation with implementation is encouraged. Finally, as discussed in Chapter 4 as well, many businesses evolved their understanding of running a sustainable business through attending conferences, joining business networks or engaging with similarly-minded others.

In summary, the findings show that businesses generally do not know *where* and *how* the values and commitments can be brought into practice right from the outset. As David from Prometheus said, “It

was not part of some grand design There was no grand conceptual framework on year one, but every time we tackled a new issue, a little more clarity [on what we were about] came into being". Through actually being in business, this understanding emerges and evolves over time. Businesses play with different practices; reflect on how they work; adjust and refine as needed; and review again. As many participants mentioned, "sustainability is never finished" (Pendragon Brewers). John said,

It can never be finished ... if you have achieved your KPIs Even if you have everything according to your "norms" then it is still not ready. Then you have to adjust your norms and say ... what can we do next? It's important to realise that it is a path, a trajectory You are constantly reviewing it, improving it. (Pendragon Brewers)

5.2.3. The interplay between being and doing

Finally, Being and Doing do not operate in isolation of one another (see figure 5.1).

Figure 5.1: The interplay between being and doing



When it comes to understanding who the company is and what it stands for (Being element), it is often through actually Doing business and being confronted with people, situations and problems, that the business is triggered to clarify what its main priorities are. As Marianne explained,

When you talk about whether we stock this thing or not; when a staff person comes up and says, this customer wanted to know why we stock this but we won't stock that, then you immediately are in an explanation, an exploration with that (staff) person about what the values mean. And that is how the values are becoming clear. It is not by saying “we are a values-based company”. What does that mean? It means nothing, it’s words. (Mulberry Grove Organics)

It is *through* taking action (Doing) that the true meaning of values and commitments (Being) becomes understood.

At the same time, the reflection on values and commitments (Being) consistently *guides* action (Doing); it is the “touchstone” (Landrijk) from which decisions are made. As Tom (Einstein’s Cycles) said,

We use it all the time. We train around it We are doing strategy around it we walk around decisions from the perspective of the 9 core values and we say, does this line up well? ... What does it look like from the perspective of that value?

The process of collective reflection on values and commitments creates a shared meaning of what the company is about and embeds the values throughout the company. As one participant explained, their reflections resulted in “a language that we can use within the company, we can share with everybody and ... bring into every discussion, integrate everywhere *Our language*” (Einstein’s Cycles). While the values and commitments may “already be part of the DNA of the company” (Pendragon Brewers), the exploration and articulation that takes place within the Being part of the process, really allows the company to become more intentional about its Doing, and “make it concrete in all kinds of projects” (Pendragon Brewers).

In short, through reflection on values and commitments the companies clarify who they are as a business and through their actions these values and commitments are not only brought into reality but are also clarified further. The cycle does not end here however. In turn, through reflections on these actions, the understanding of practical implementation evolves and additional areas of implementation, or even additional values and commitments, may emerge. The company continually becomes known to itself and expresses itself through its actions and reflections in this ongoing cycle.

Some participants mentioned practices that supported this ongoing process. For instance, several were developing “reporting” practices that support “closing the loop” by feeding reflections on actions back into a new cycle of action. For many this was a new area of exploration. Alex (Pure) said, “a goal ultimately for us ... is how do we take the data that we collect from a reporting perspective and leverage that as a strategic input to the planning process. That is ... a frontier we are aiming at” (Pure). Another participant said,

We are starting to do this in increasingly more areas, this reporting on outcomes It is that “monitoring”, isn’t it? We say we have this policy but can we actually measure that in hindsight? We say we take the climate into account but can you, if you see our investment portfolio, see that it is indeed a more climate friendly portfolio than the average portfolio? (Whitcoulls Bank)

A few mentioned certain practices they had adopted to support this. At Pendragon they use a Balanced Score Card on which “several indicators are listed, things we strive for It shows us where we do well and where we can improve”. Whitcoulls Bank on the other hand, hires a sustainability “accountant” to independently test and review the execution of Whitcoulls’ Sustainability Policy; “we have all those procedures, particularly around the selection of investments ... which outline how things are to be done. And the “accountant” tests this as well So on that level that evaluation takes place”. In addition, this checking of whether adjustments are needed in how the values and commitments are applied also happened through individual performance assessments. Tom explained, “We have a review process for everybody in the company and all ... explicitly review themselves in relationship to the core values” (Einstein’s Cycles), which may lead to suggestions of improvement or change. Interestingly, the emphasis in these reviews was generally not on managers judging employees on adherence to values but on employee evaluating *themselves* in relation to the values and commitments.

In conclusion, what this Findings section shows is that CSR implementation is an ongoing process, which takes place in the interplay between Being and Doing. Within this interplay, the company’s understanding of what values and commitments are of core importance to them, as well as the actual implementation, emerges and evolves over time. As Kay described it,

We are in a place of evolution right now, its active! We never stop and we have a phrase that we use, we say that we are in the river. Whenever it strikes us that maybe something we said

last week no longer applies this week, it's because we're in the river and things are constantly changing and we recognise that, nothing is static. (Affinity)

5.3. Reflection on the findings

The previous illustrates that CSR is an emergent and evolutionary process. In this section I reflect on what these findings indicate about both the outcomes and the nature of CSR implementation in the sample businesses. I address the following topics: *CSR implementation is embracing change*; *Adaptation rather than perfection*; *the Intuitive element of CSR implementation*; *CSR implementation as nonlinear*; and *CSR implementation is company-specific*.

5.3.1. CSR implementation is embracing change

The findings show that the ongoing, process nature of CSR implementation serves an important function for values-driven businesses. For instance, the ongoing fine-tuning of values and commitments that takes place within this process ensures that the implemented values are actually truly held within the company (e.g., new people may enter the company changing the collective values or commitments). In addition, it is the ongoing process that enables the company to adapt to changing internal knowledge; new insights may arise for more effective environmental practices, which can then be implemented in practice. Similarly, this process nature allows the business to respond to external changes; e.g., market demand for the company's product may diminish, leading to fewer resources internally for CSR practices or a social issue may arise demanding urgent attention.

CSR implementation is therefore not about finding final or permanent "solutions"; the values or commitments chosen, or the practices implemented, are always subject to change. CSR is always a work-in-progress rather than a final destination. As one participant said, CSR is "more of a direction you are going in Some people think it can be finished at some stage and the answer is, no, it won't happen, and that is normal" (Phoenix Panel and Paint). Rather than seeking endpoints, it is about embracing change to happen; as Kay said, "We are used to that, everything still being in development that's the way it is" (Affinity).

5.3.2. Adaptation rather than perfection

Related to the previous point, the findings show that CSR implementation is less about finding perfect solutions and more about taking a pragmatic approach; to adapt to the circumstances at hand and do the best you can in a certain moment in time. This relates to the experimental nature of CSR implementation as well as the continuously changing circumstances in which the business finds itself.

In relation to the first, since participants are exploring and trialling new “ways” in business, their solutions may be far from perfect and may need adjusting but “you have got to move it forward” (Brougham Group). As Pippa said, “It is always a ‘doing the best you can for the situation you are in’ – approach ... because the decisions we make are not typical” (The Owlery).

Similarly, given the constantly changing external and internal condition, CSR implementation is less about searching for a perfect solution and rather about adapting to what is happening in that particular moment. As Brian from Phoenix said, “Perfection is an illusion”.

5.3.3. The intuitive element of CSR implementation

The findings show that while CSR implementation has rational elements, many of the reflections are not rational at all. Decisions around what are the “right” values and commitments to adopt, or what is the “right” action to take, do generally not involve a systematic study of the different options but arises from people’s intuitive sense of what is right and important in life. For instance, the decision about what values or commitments to adopt does not encompass a rational study of which values may be most “effective” or alluring to external stakeholders, but focuses on “encouraging people within the company to think deeply, to get below the mental level” (Everest) and uncovering what is deeply held as important. CSR decisions involve people bringing their own “ideology”, “their own agenda about what’s important to them and which problems in the world need attention and what the right ways are to work on that” (Pure). In this way CSR implementation is simply “not science” (Pure) and should not be confused with an overly rational process.

5.3.4. CSR implementation as nonlinear

While certain parts of this emergent, evolutionary process may take the form of predetermined or systematic steps (e.g., the company may plan the stages it needs to go through to become carbon neutral), the *overall* process is rather non-linear. There is generally no “grand design no grand conceptual framework on year one” (Prometheus Bank), instead the process is not just organic but

“messy”. It often involves going backwards and forwards, for instance when gaining agreement about values held or when trialling new CSR practices, and can generally not be pushed or planned. In short, CSR implementation evolves organically rather than through certain sequential steps or an overly systematic approach.

5.3.5. CSR implementation is company-specific

What follows from the previous sections is that CSR implementation is very much company-specific in nature, both the process as well as its outcomes. Whether it relates to the choice for certain values and commitments, or certain CSR practices, the shape and form of CSR implementation will be unique to each company. Not only will it will depend on what each business understands to be of key importance, but also on what is most appropriate for their specific circumstances at that particular moment in time. As Rob pointed out, “it is somewhat arbitrary of course. We try to give a certain structure to our sustainability policy but these are our choices ... it works in our process” (Whitcoulls Bank). Participants realised that these choices are not the only “right” choices; instead, they are *their* choices, reflecting their interests, values and circumstances. While for instance Whitcoulls Bank chose to implement a dedicated sustainability department, Rob said, “Is it therefore the best solution? Of course not, but we made that choice”. What is important here is that CSR implementation is not about standard or generic approaches and solutions, or a “one size fits all” approach.

In summary, CSR implementation is an ongoing, adaptive process in which it is not about perfect and final solutions but about allowing for learning and change to take place. CSR implementation should not be confused with an overly rational process but has an important intuitive element. The overall process of CSR implementation is not about sequential, predetermined steps but rather is nonlinear and “messy” in nature. Finally, CSR implementation is not about standard of generic approach, but is company-specific.

5.4. The challenges to the CSR implementation process

The previous shows the importance of the ongoing, process nature of CSR implementation; however, several challenges came to the fore that inhibited the CSR process to “flow” and keep

going. The following challenges are addressed here: *Reflecting while in action* (5.4.1); *The shadow-side of “formalisation”* (5.4.2); and *The underdevelopment of “closed loop” practices* (5.4.3).

5.4.1. Reflecting while in action

As indicated earlier, within the CSR implementation process reflection is as essential as action. In a non-planned, organic approach, it is this continuous reflection that keeps the company moving forward and that keeps the company adjusting what is necessary.

However, a challenge to this reflection is that the immediate, deadline -driven demands of the business tend to take over. For instance, where “there really is a deadline ... [you do not] have a luxury of letting things percolate until the right thing bubbles up” (Affinity). Also, to ask people to take a moment and reflect, for instance, on the outcomes of their actions while they are in the middle of immediate demands can be stressful for people. This relates perhaps to a more subtle level of this challenge, that thoughtful reflection requires a very different *modus operandi* than action, and, since the first requires distancing oneself from action and the second requires being “in” it, these two are not easily accessed at the same time. For instance, when

The company grows, and you have all these ideas and concepts and like there's certain things that need more attention than others, and all of a sudden, you step back and you think, I totally dropped the ball on x, y and z Like all of a sudden you're like, Oh, where the hell did that idea go? (Aveda Organics)

As Jeremy's quotation illustrates, when you are in action “mode”, you might lose sight of the reflection element. Given that businesses inevitably operate in a fast-paced environment with many immediate demands and dead-lines, this is an important challenge to consider.

5.4.2. The shadow side of “formalisation”

As shown in the previous section, continuing to reflect in the midst of a fast-paced business environment is challenging; at the same time, to keep reflecting when the business has “formalised” its values and commitments in statements or certain processes holds a challenge as well. As explained, the CSR implementation process generally leads to some sort of formalisation of values and commitments; for instance, a process of exploration within the company may lead to a formal values statement. While such formalisation is an important outcome of the CSR implementation process as it can become a “touchstone” that guides action; in essence these statements are never

final in nature and should be subject to reflection and review. However, the data suggest that there is a shadow side to this formalisation; participants mentioned how formalised statements or practices may *stop* people within the business to reflect on whether values and commitments are actually held and accurate. As Steven from Landrijk pointed out, once values and commitment are written down, and placed “all over the wall, they [may] become wallpaper, they become stuff that isn’t part of you”. Instead of staying connected with that which is truly alive and held within the company, people may come to identify with that which is formalised instead, and start to confuse formal statements or practices with actually *being* responsible. As an illustration, Brougham Group “formalised” the commitment to social consciousness in formal guiding principles (known as “Bougham’s Way”) as well as in many well thought-out committees, training courses and decision-making practices. However, Oliver, the current CEO, explained that over time these formalised statements and practices became a representation of what employees *thought* they were about, rather than what was *actually* truly held and expressed within the company.

Are [employees] living and breathing the purpose? No People ... maybe had a really good understanding [of the principles] 20 years ago but it kind of drifts Everybody “knows” that it’s Brougham Group, everybody thinks they “know” what we are about But no, it’s not “Brougham’s way” People actually hide behind some of this [points at a paper with the principles on it].

In other words, the formalised statements and practices might inhibit an honest and continued reflection on what is actually going on within the business, which inhibits the ongoing nature of the CSR implementation process.

5.4.3. Underdevelopment of “closed loop” practices

While participants repeatedly emphasised how important it was that the outcomes of actions were aligned with the values and commitments, very few businesses had developed “monitoring” practices to review whether the outcomes of company actions were indeed (or still) in line with stated aspirations. In other words, only a few companies were really trying to “close the loop” on the CSR implementation process. As Jeremy from Aveda Organics said, “I haven’t figured out that process of like really monitoring that gap; that is definitely one of my challenges. It’s something that I’m constantly trying to improve but it’s very difficult”.

Participants reflected on the methodological challenges surrounding this process, relating to the questions of how progress in relation to certain elements of the company’s purpose can be

monitored and reported on. For instance, while Whitcoulls Bank has aspirations around minimising the carbon footprint of investments, Rob explained that the determination of the *actual* carbon footprint of a certain investment portfolio is very challenging. In particular when it came to monitoring the progress on the “soft” values and social commitments (e.g., employee happiness), participants were not always sure how to monitor this. As John said, “I don’t know if we should put our energy into developing instruments for measuring the soft values”.

We don’t really quantify or keep track of those in the business score card. We thought, should we do an employee satisfaction survey for instance, since that may be a way to get insight into these things. But at the moment we have no instrument to measure this. It is purely based on a feeling, of where we’re doing alright and where not. We have the advantage that we are reasonably small ... everyone knows everyone. We have many moments in which we meet each other, so in that way people talk to one another and discuss things. (Pendragon Brewers)

As this quotation illustrates, participants were not always sure whether the development of an actual “instrument” to measure soft values was necessary or even desirable. However, as this quotation illustrates as well, in particular in bigger organisations, where it is harder to tune in with employees directly, some instruments may be necessary.

In short, while closing the loop and monitoring how outcomes of actions compare to aspirations is an important part of the implementation process, the appropriate monitoring systems appear to be in the early stages of development.

5.5. Literature: CSR implementation as a process

As mentioned in the introduction, most CSR studies have been outcome-orientated, which has led to a lack of understanding of the process of CSR implementation. As discussed within the previous sections, the implementation of CSR within the sample businesses is not a series of discrete activities but is best understood as an ongoing process that is emergent and evolutionary in nature. Within the literature concerned with CSR, recently, some studies have been published that address this. These studies were found in a variety of fields, such as strategy, organisational Research (OR), management science, business ethics and CSR. The majority explicitly seeks to make a practical contribution to CSR implementation.

However, while Maon and Swaen (2009) see the emerging practice-focused, process-orientated studies as a “research stream” (p. 5), the number of articles is as yet very limited (Porter, 2008; Sharp & Zaidman, 2010), and the literature too eclectic to be considered a coherent “stream” of research, let alone a “body” of literature. The lack of conceptual development and clarity related to a process approach to CSR means that delineating which literature to review is by no means straightforward. Given that this was key in the research findings, the choice was made to review only the literature that *explicitly* mentions the process nature of CSR in the article and provides some (theoretical) insight into this process nature. To clarify this, Panapanaan et al. (2003)’s article, which outlines CSR implementation in Finnish companies, was not included. Although they mention different activities involved in implementing CSR (in this case: (a) organisation and structure; (b) planning; (c) implementation; (d) monitoring and evaluation; and (e) communication and reporting (p. 146)), they only *list* these activities rather than discussing the *process* of implementing them. On the other hand, Werre’s article on CSR implementation in the case of Chiquita was included. While Werre (2003) does not mention the process nature of CSR in the title or abstract, and in fact does not make much reference to it, as he mentions that “the implementation of CR can be viewed as a specific case of an organisational change process” (p. 247), this article was considered.

While the number of articles is limited, a variety of conceptual lenses was found through which the CSR implementation process is explored. Underlying the variety of lenses is the common understanding that CSR implementation “can be viewed as a specific case of an organisational change process” (Werre, 2003, p. 247). For many theorists, CSR implementation implies “moving from a present to a future state” (Maon et al., 2009, p. 72); a transition towards, or adoption of, a new, (more) sustainable way of organising and working (e.g. Jamali, 2006; Maon & Swaen, 2009; Molnar & Mulvihill, 2003). The differences within the literature are around *how* this change process is perceived and authors clearly experiment with different perspectives. Below, I structure the literature review by exploring these lenses. While they are discussed separately, however, they are very much related and some studies use several lenses concurrently. For example, Sharp and Zaidman (2010) use “strategy-as-practice” as their main lens but also use the perspective of “sensemaking”. Similarly, Khoo and Tan (2002) use a “systems thinking” approach but also mention a “learning organisation” perspective. In addition, some authors, such as Maon, Swaen and Lindgreen, emphasise one lens in one article (e.g., sensemaking in Maon and Swaen (2009)), while emphasising another in a different article (e.g., systems thinking in Maon, Lindgreen, and Swaen (2008)). This may indicate that the conceptualisation of CSR implementation-as-a-process is still in a phase of exploration. As a final note, a limited amount of articles in a wide variety of fields does create the

challenge of generalisation: for most of the lenses there was a limited number of articles to draw conclusions from.

To clarify the structure below: the focus in the following sections is to provide a description of each lens. At the end of section I briefly comment on what the lens contributes to the understanding of CSR implementation in general and how the *general* focus of that lens compares to the CSR process found within the research study. However, to prevent too much overlap, a more detailed insight into how the literature compares to the different elements discussed in section 5.3 is provided in section 5.6, where these comparisons provide the basis for the description of the theoretical implications.

5.5.1. Sensemaking lens

One perspective on the process of CSR is “sensemaking” (e.g. Basu & Palazzo, 2008; Cramer, Van Der Heijden, & Jonker, 2006; Maon & Swaen, 2009; Van der Heijden, Driessen, & Cramer, 2010).

Sensemaking within these studies is understood as the interpretative process by which individuals give meaning to their environment (Weick, 1995). Weick (1995) argues that sensemaking commences in situations in which ambiguity and uncertainty exist, and given that the introduction of CSR generally brings a degree of uncertainty and ambiguity, this perspective is seen as relevant to the process of CSR (Maon & Swaen, 2009).

Attention to the sensemaking processes that surround CSR allows insight into how people think, discuss and act in relation to CSR (Basu & Palazzo, 2008, p. 122). Basu and Palazzo (2008) define CSR as “the process by which managers ... think about and discuss relationships with stakeholders as well as their roles in relation to the common good” (p. 124). Their analysis focuses on the managerial view on the business’ relationships with stakeholders and the world at large, since the outcomes of this managerial sensemaking will influence and shape CSR activities (p. 124). Their multi-dimensional model of sensemaking processes describes three organisational dimensions (cognitive, linguistic and conative), which, taken together, give insight into the intrinsic orientation that guides CSR activities. Maon and Swaen (2009) on the other hand, go beyond a manager-centric or internally focused approach to sensemaking. They see CSR as a process involving the creation and recreation of internally *and* externally shared frames of reference in relation to CSR goals, activities and outcomes (p. 13); and emphasise the multipartite nature of the sensemaking process. They propose a model that combines “four interconnected interpretive and influence processes, centering on managerial and extra-managerial stakeholders”, which “shape the process of social construction, by which internal and external stakeholder groups attempt to interpret, explain, act, and react to CSR-related

stimuli and issues” (p. 29). While both frameworks pay explicit attention to the deeper orientation which motivates and guides CSR, they are conceptual in nature and have not been tested in practice.

Others, such as Cramer et al. (2006) and Van der Heijden et al. (2010), also apply the sensemaking focus internally but, compared to Maon and Swaen (2009), they are more implementation focused in their descriptions. Both use the sensemaking perspective “to clarify and substantiate the processes of positioning CSR in the organization” (Van der Heijden et al., 2010, p. 1795). While both articles conclude, like the research, that the approach to CSR implementation is company-specific and depends on the sensemaking of the individual company, they also found similarities in the overall cycle and/or applied strategies. Cramer et al. (2006), for instance, describes five generic approaches that “change agents” (those who drive CSR initiatives) adopt when implementing CSR: pragmatic sensemaking (focus is on translating CSR principles into tangible goals); external sensemaking (focus is on public perception); procedural sensemaking (the implementation of CSR values in strategic quality and management systems is emphasised); policy-oriented sensemaking (the focus is on anchoring CSR aspects in policy) and values-driven sensemaking (values-driven companies develop their own interpretation of CSR on based on embedded values and beliefs) (p. 386). Van der Heijden et al. (2010) identified three stages in the CSR cycle: exploring, translating and embedding. They also identified several process-orientated instruments that were applied in different stages. For example, in the exploration stage, which focused on establishing (shared) meaning in relation to the CSR concept, companies engaged in formal and informal discussions and meetings; they obtained information from external sources; and exchanged information with other businesses focused on sustainability. While these “instruments” served to gain clarity on the meaning of the CSR concept for the business, they also acknowledge the ongoing nature of this clarification process. In the translating and embedding stage, they identified initiatives such as the discussion of CSR implementation in management meetings; the setting of CSR priorities; the establishment of CSR by starting pilot activities and CSR projects; establishing CSR by organisational structure changes (e.g., CSR departments); and formalisation of CSR in reports and systems. In terms of implementation, two main strategies are identified: pragmatic (CSR implementation is action driven, formalisation follows later) and systematic (focus is on systematically anchoring CSR aspects in quality and management systems and policy).

The sensemaking perspective provides insights into the CSR meaning-making processes. One of its contributions lies in the acknowledgement of the unique and individual nature of the CSR implementation process. This lens, by taking the ambiguity and uncertainty surrounding the

meaning and actual implementation of CSR as a starting point, allows for an exploration of the ongoing nature of the CSR implementation process. Most studies apply the sensemaking lens to how companies conceptualise the meaning of CSR but ignore the practical implementation; in other words, they address how people make sense of the concept of CSR (the Being part of the process) but neglect the Doing part of the process. In particular Van der Heijden et al. (2010)'s study, however, is comprehensive in that it conceptualises the internal meaning-making of CSR as well as its practical implementation. In addition, it finds many supportive practices that were similar to those found in the study (e.g., formal discussions and meetings; structuring of departments and staff groups; obtaining information from different sources).

5.5.2. Systems thinking lens

Other studies, most commonly in the field of Operational Research (OR) and management science, approach the CSR implementation process through the lens of systems thinking (e.g. Córdoba & Campbell, 2008b; Khoo & Tan, 2002; MacLagan, 2008; Maon et al., 2008; Porter, 2008). This lens focuses not on meaning-making, but on the decision-making processes of CSR implementation. In particular, it focuses on those required to design effective CSR strategies and interventions. The fundamental guiding principle behind "systems approaches to sustainability is that the organization and its environment must be conceived as complex and unitary whole in order to design effective strategies and interventions" (Porter, 2008, p. 399). Within a systems approach the interconnections among various parts of a system are recognised (Mingers & White, 2010) and organisations are understood as "open social systems that must cope with environmental and organizational uncertainty, as well as develop characteristics and perform processes that enable them to adapt to the opportunities, threats and constraints that constitute the environment and society" (Maon et al., 2008, p. 415). Systems thinking "aids in appreciating the tensions and complexity of sustainability issues, and helps managers bring seemingly disparate issues together to better understand the multi-faceted impacts of firms' strategic activities" (Porter, 2008, p. 399). In particular, these studies focus on developing approaches or frameworks to reflect on consequences of CSR decisions; to stay present to new CSR issues; to understand the interests of stakeholders and the interrelationships between different interests (Córdoba & Campbell, 2008b; Gregory & Midgley, 2003; Maon et al., 2008; Mingers & White, 2010; L. White & Lee, 2009).

For example, Maon et al. (2008) propose a conceptual systems-based, double-loop model, consisting of a stakeholder dialogue loop and a CSR integration loop, that clarifies the processes underlying the emergence, prioritisation and integration of CSR issues into a coherent agenda (p. 413). They

emphasise the interrelationships among CSR issues and develop several interconnected initiatives “that help manage the relationships ... central to the future success of the organization and resolve any dilemmas among the competing interests of stakeholders” (p. 416).

Porter (2008)’s conceptual paper offers two different theoretical approaches, interpretivism and CAS (Complex Adaptive Systems) for giving form to CSR implementation and in particular to understanding conflicting stakeholder interests. The interpretive approach “presupposes that even extreme conflict among stakeholders can ultimately be addressed and incorporated into a rational, open and non-coercive discussion and solution” (p. 402). (Interestingly, this approach is similar to the one used by Maon et al. (2008) even though they do not make this approach, nor the its assumptions, explicit.) The focus here is on applying systems thinking to understand the company’s “main sustainability issues and ... develop an indicator set to measure and report on progress, ultimately leading to consensus-based decisions that increase credibility and facilitate action” (Porter, 2008, p. 404). The supporting practices suggested within this approach are predominantly related to creating effective communication channels through which different stakeholder perspectives can “be solicited, listened to, and openly debated in a democratic forum” (p. 402). In addition, in situations where differences between stakeholders’ positions on sustainability issues are extreme and seemingly irreconcilable (p. 402), critical systems thinking enquiry is suggested as a tool to model these complex decisions and solve them (Mingers & White, 2010; Porter, 2008; M. Reynolds, 2008). While also focused on conflicting stakeholder interests, the CAS approach provides a framework which is useful for situations characterised by turbulence and change, where it is *not* possible for top management to effectively develop an “a priori master plan” for CSR implementation (Porter, 2008. p. 408). This approach challenges the common notion “of management and CSR ... that equilibrium is the norm, the future can be predicted and controlled, there is an ideal or ‘best’ way of getting things done, and rational planning will yield the desired results” (p. 403). The CAS approach suggests significantly different practices for the CSR implementation process than the interpretive approach, like the importance of “building and empowering small groups and teams, facilitating adaptive learning at all levels ... and supporting innovation at ... decentralized, local sites where ... stakeholders have direct, ongoing contact and exchange” (p. 403). In other words, the emphasis in practices shifts from top down design and control to empowering small groups of employees and stakeholders (p. 403).

The systems thinking lens provides answers around complex decision-making related to CSR implementation and addresses the “questions of issue determination, negotiation and accommodation amongst differing groups, and system-wide communication” (p. 408). With a focus

on the organisation as an open system, this lens could address the continuous adjustment to the changing conditions found within the research study. However, the predominant focus on “solving” divergent interests of stakeholders means that there is an emphasis on “controlling” the external environment rather than an acknowledgement of the ongoing adjustment.

This lens pays attention to the Doing element of the CSR implementation process (the “what” and “where” of implementation) but neglects the Being element (focused on the determination of values and commitments itself). As with the sensemaking lens, the frameworks and practices suggested are mostly conceptual; while the systems thinking perspective is attuned to the potential complexities of implementation and might have useful practical models to map complex problems, practical guidance based on empirical studies remains limited.

5.5.3. Learning organisation lens

The learning organisation lens is strongly related to the previous lens as systems thinking is often seen as a key element of learning organisations (Senge, 1990; Senge, Carstedt, & Porter, 2001). According to Khoo and Tan (2002), “the ability to create and disseminate new knowledge to all employees, and to empower them to make decisions forms the core of the learning organisation” (p. 200). Quite a few authors (e.g., Fenwick, 2007; Molnar & Mulvihill, 2003; Nattrass & Altomare, 1999; Pourdehnad & Smith, 2012; Senge et al., 2001) emphasise, and explicitly link, the importance of fostering a learning organisation culture for successful CSR/sustainability implementation (Senge et al., 1999). Given the uncertainty and the ambiguity surrounding CSR implementation and as such the need for organisations to “learn” about implementation, a focus on “learning” is seen as relevant. In terms of uncertainty, when CSR is introduced “managers, employees and other stakeholders are confronted with a new reality that influences all processes and departments of the organization” and can no longer rely on existing ideas and routines (Van der Heijden et al., 2010, p. 1789). In addition, CSR implementation means “embracing ambiguity in dealing with an elusive and diverse array of issues As the complexity of decisions increases, managers may increasingly lack the necessary expertise and capacity to make ... choices that integrate the range of issues involved” (Jamali, 2006, p. 815). In both these situations, the ability to learn and adapt to new situations is of key importance.

The literature points to some common aspects of organisational learning¹⁹, such as: an explicit commitment to systems level thinking; a focus on cooperation and teamwork; a climate where questioning of basic assumptions is encouraged; action learning; continuous learning and

¹⁹ Generally derived from Senge (1990)’s five learning organisation disciplines: personal mastery, mental models, building a shared vision, team learning and systems thinking.

development; collective decision making; encouraging openness, inclusiveness and empowerment; communication through meaningful dialogue; the capacity to embrace change and to be flexible, resilient and inventive (Jamali, 2006; Molnar & Mulvihill, 2003, p. 170). While quite a few authors explicitly link a learning organisation perspective to sustainability, and while the literature on CSR-as-a-process often implicitly mentions “learning” as an inherent part of the implementation process (e.g. Khoo & Tan, 2002; Porter, 2008), it appears that only Jamali (2006) consciously applies a learning organisation perspective to a process understanding of CSR implementation. She argues that “sustainability is an evolutionary, unfolding process of change. If conceived this way, it becomes clear that an openness to change and learning are basic pre-requisites in the transition to sustainability” (p. 818). Jamali (2006) argues that through the integration of learning organisation characteristics into “a sustainability focused organizational learning (SFOL) process” the business can “reap the benefits of continuous learning and accumulated experience” (p. 810). In turn, this will help “companies in facing the sustainability challenge and achieving a more effective TBL integration” (p. 816). She proposes a framework in which organisational learning characteristics (e.g., systems level thinking, a participative policy-making and collaboration, team building and action learning) are linked to different phases of the sustainability integration process, which are identified as planning, implementing and reviewing.

The learning organisation lens provides answers around the adaptive and continuous learning element involved in CSR implementation and allows for the exploration of the evolutionary and unfolding nature of this process. It acknowledges the new and complex reality in which those involved in CSR find themselves. While both action and reflection are acknowledged as elements of the implementation process, the learning aspect does not seem to be applied to the unearthing and defining of the values and commitments itself. The article discussed is conceptual in nature and fails to give insight into how these learning capabilities are actually acquired.

5.5.4. Strategy-as-practice lens

A recent lens within CSR research is the “strategy-as-practice” lens. Where traditionally strategy has been treated as something that an organisation *has*, within the emerging strategy-as-practice school strategy is also treated as “a practice”; something organisations *do* (e.g. Hambrick, 2004; Jarzabkowski, 2004; Kornberger & Clegg, 2011; Whittington, 2003). This school understands strategy as “an ongoing activity” (Athanasopoulou & Selsky, 2012, p. 28) and emphasises the “continuous processional aspect of the strategic process” (Sharp & Zaidman, 2010, p. 53). Approaching strategy as a practice requires attention to the details and practical reality of people’s strategy activities

(Chia, 2004; Johnson, Langley, Melin, & Whittington, 2007; Whittington, 2006, p. 613).

While “strategy-as-practice has not yet attracted the attention of CSR researchers” (Athanasopoulou & Selsky, 2012, p. 29), authors such as Athanasopoulou and Selsky (2012) and Sharp and Zaidman (2010) identify this lens as a promising avenue for CSR research, which is both context-sensitive and emphasises the (micro) processes of CSR strategizing. Only Sharp and Zaidman (2010) actively use strategy-as-practice as a theoretical frame of reference to explore the process by which CSR is internalised within business. In trying to create an understanding of “how CSR strategy evolves in organizations and the extent to which CSR is successfully strategized” (p. 52), they draw on Jarzabkowski (2005)’s “strategy as practice” model, which explores the ongoing interplay between different components involved in shaping strategy over time: top managers, organisational community and strategy as goal directed activity (Sharp & Zaidman, 2010, p. 53). Different phases of strategisation are identified, in which different “modes” are identified by the level of interpretative and structural legitimacy. The former refers to establishing frameworks of meaning that enable organisational members to understand what is considered “right” and important within the organisation, while the latter refers to structural practices such as routines, hierarchies and roles (p. 53). This model was for a longitudinal study of businesses considered “leading” in CSR, and the study draws conclusions about the development patterns of CSR implementation. It was found that structural legitimacy occupied a *secondary* role in the strategisation process compared to the dominance of interpretative legitimacy (p. 61). In other words, while structural legitimacy did develop a little, “i.e., the deployment of methods and procedures that support and institutionalize an activity within the organization” (p. 60), “most of the respondents concentrated on and emphasized the communication and learning processes [such as training sessions, discussion panels, attitude surveys, and feedback mechanisms] that they had put in place to absorb the concept of CSR within the organization” (p. 61). In addition, they found that there is a tendency for CSR to develop from a “special” activity to a “normal”, embedded activity as CSR attains strategic status and is institutionalised in the organisation.

The strategy-as-practice lens is context-sensitive and attuned to the interplay between different elements of the organisation, both of which allow for an exploration of the ongoing nature of the CSR implementation process. In addition, it distinguishes between the interpretative element of CSR (Being) and the practical element (Doing) of CSR. It also acknowledges the key role of learning and communication in CSR implementation. Compared to the previous lenses, this strategy-as-practice approach is very operationally focused and has been based on an empirical study.

In summary, all lenses have some aspects that are similar to what was found in the research. The sensemaking lens really emphasises the internal reflection on the meaning of CSR. In particular Van der Heijden et al. (2010)'s study is comprehensive and in many ways the description of the CSR implementation process and the supporting processes were quite similar to the findings to the PhD research. While less commonalities were found with the Systems Thinking lens, systems thinking does hint at the adaptability necessary for CSR implementation. In particular in the form of the CAS approach, it emphasises the importance of not maintaining the control of CSR implementation at a managerial level but involving and empowering employees. The Learning Organisation lens emphasises the emerging and evolving nature of the process, and the importance of learning in the implementation process. While participants did not refer to it as developing "learning capabilities" as such, many of the practices that are mentioned within this lens, like those that focus on creating and encouraging cooperation; internal questioning and discussion; open communication and dialogues, were found in the study. The Strategy-as-practice lens really describes the practical, always becoming and always in action part of the process, while also acknowledging the learning and communication.

Despite these similarities, the different lenses tend to highlight only certain parts of the CSR process as it was found in the research. For instance, the fact that not just the practical implementation emerges and evolves but also the understanding of the core values and commitments, was generally not taken into account. In the next section I focus on the differences between the literature and the research, and discuss the implications for theory.

5.6. Theoretical implications

A comparison of the findings with the literature hints at some important contributions to the current study of CSR implementation. I explore these theoretical implications in relation to three topics: *Integrity not legitimacy* (5.6.1); *Change as the only constant in implementation* (5.6.2); and *Intuitive and organic organisation of CSR implementation* (5.6.3).

5.6.1. Integrity not legitimacy

As also shown in Chapter 4, within the process of CSR implementation the companies constantly attune themselves to the internal and external environment, which includes being sensitive to the suggestions and requirements of external stakeholders. However, this does not mean, as is

suggested in the literature, that attending to external stakeholders needs is primarily a bid to gain legitimacy from stakeholders. Current studies, and in particular those within the systems thinking perspective, seem to adopt a “traditional” stakeholder approach to the CSR implementation process and emphasise attending to stakeholder needs as some form of risk management for the company (e.g., satisfying stakeholders so they will not make trouble for the company). Within these studies, this “managing” of various stakeholder demands is central to the CSR implementation process and the locus of control over what actions the business should take (which issues to address etc.) is placed with external stakeholders. These businesses, however, are not motivated to “do good” for stakeholders because external others form some sort of threat; they *want* to do good for others since that is in line with their *internally* held values and commitments. In attending to stakeholder needs they seek integrity with what is internally held as right and important, not simply because they seek legitimacy from others. Therefore, they would generally not, as is suggested in some of these studies and as is common in traditional stakeholder theory, make an inventory of external stakeholders’ concerns and their relative *power* over the business when deciding on which issues or commitments to pursue²⁰. In addition, while studies assume that it is the “pressure” from stakeholders that drives the business to attend to stakeholder interests, the research shows that sample businesses are generally more progressive or generous in what they seek to offer stakeholders than what the stakeholder needs or demands.

The main problem here is that these traditional stakeholder assumptions are not questioned or tested before being applied to studies on CSR implementation; most of the conceptual papers simply adopt this approach. One of the limitations connected to the (unconscious) adoption of a stakeholder management approach to the process of implementation, is that even though these studies seek to make a practical contribution, it can be questioned whether they in fact do that. Not only do they present practices that are simply not applicable to these businesses (e.g., those focused on *placating* external stakeholders through structured dialogue) but the predominant focus on the requirements and challenges related to creating (external) stakeholder consensus, have pulled the focus away from other CSR implementation requirements and challenges. In particular, it currently does not explore what may be challenges to the internal, often collective, reflective processes, which play such an important role in uncovering the internally held values and commitments; or the internal decision-making processes involved in determining the right action to take. For theory to make a contribution to the CSR implementation process, it needs to set aside its

²⁰ It is acknowledged that this sample consists of very specific businesses and most of these CSR-related studies would not have been written with exemplary values-driven businesses in mind. It is therefore unsurprising that these differences between findings and literature occur.

stakeholder assumptions and acknowledge the internal determinants that drive and influence the CSR implementation process.

5.6.2. Change as the only constant in implementation

As discussed in section 5.3, the findings show that the CSR implementation process is both ongoing and adaptive in nature; both the understanding of the values and commitments as well as the practical experience in implementing these evolves and emerges over time. An important theoretical implication is that there are no endpoints or perfect solutions to CSR implementation; what values or solutions may be best or appropriate at a certain moment in time may change with changing internal and external circumstances.

Within the literature, despite differences between and within the perspectives, most studies explicitly refer to the evolving and emerging nature of the CSR process. Many understand the process as ongoing and recursive; continuously developing through cycles of implementation, review and adjustment; a process of learning and adapting to changing internal and external conditions. As Jamali (2006) writes “sustainability is ... best treated as a dynamic unfolding change process ... a balanced adaptive process of change Sustainable organizations are continually renewing their processes ... and adapting them where necessary” (pp. 813, 814). Or as Maon et al. (2009) write, “the development of CSR practices, therefore, can entail evolutionary and recursive activity that acts on and reacts to and with the business environment” (2009, p. 72). However, while this understanding is in line with the findings of the research, the implications that there are no endpoints to this process and that implemented practices are by nature impermanent and never “perfect”, are generally ignored or not fully pursued, and studies remain remarkably quiet about how businesses might deal with this daily reality of constant change. For example, within articles focused on triple bottom line integration, there is a tendency to talk about the transition *to* sustainability; implying that an endpoint to the implementation process indeed exists (e.g., Maon et al 2009; Cramer 2005). While often subtle, other studies refer to “successful” implementation and, implicitly or explicitly, treat this as some sort of endpoint of the process. For example, when Jamali writes, “significant progress on the sustainability front can be achieved if the characteristics of a learning organization can be successfully integrated into a sustainability focused ... process” (p. 810), there is a suggestion that learning organisation characteristics can indeed be “successfully” implemented and that this may be a permanent state of “implementation”. Similar is the propensity to equate “institutionalisation” of CSR values or practices with an endpoint or as successful implementation (e.g. Jamali, 2006; Molnar & Mulvihill, 2003). For example, Sharp and Zaidman

(2010, p. 63) write,

There is a tendency for CSR activity to migrate from group volunteerism to individual volunteerism as CSR attains strategic status and is *institutionalized* in the organization This transition, manifest in employees' participating in CSR activity as part of their obligations as employees, rather than as members of a vanguard group, may be an indication of the penetration of CSR values and of *successful strategization*. (Emphasis added)

While they write "this ... *may be* an indication of" and therefore hint at, rather than define, this as successful integration, the language implies again that successful strategisation might exist as an endpoint. However, again, as this research shows, the only constant within the process of CSR implementation is change; the continuous evolvement and the impermanent and imperfect nature of any solution or outcome²¹. Similarly, when the literature talks about reaching stakeholder consensus (e.g., within systems thinking studies) or about triple bottom line integration, there is often an underlying assumption that a "perfect" solution for conflicting interests or organisational dimensions *can* be reached. While the findings of the research do not dispute that *over time* an existence may be possible which satisfies multiple interests or commitments of the company (as may be proven by the continued existence of the sample businesses), as mentioned, the research shows that in any moment of time, the business has to adapt to the situation at hand, and generally has a "doing the best you can for the situation you are in" approach. As shown, this most likely means that the business, in its decisions, may emphasize one commitment over another depending on what the situation requires, rather than making decisions which perfectly address all interests at once.

The assumption of endpoints or perfect solutions is often subtle and insidious. While the comments above may appear "nit-picky", the implications are significant. For instance, the literature gives a "false" impression about "successful" CSR implementation. Not only does it not fully acknowledge the ongoing nature of the implementation process but it fails to *value* that it is exactly this ongoing nature that *ensures* "successful" implementation. It is the ongoing cycles of implementation, review and adjustment that "ensure" that the company stays responsive in its actions to the (changing) internal and external conditions. As shown in the section on challenges (in particular the shadow side of formalization), it is a barrier to the ongoing process if stated values or implemented practices

²¹ It is acknowledged here that this particular sample, in which the largest business has just over 2000 employees, may not give insight into the requirements and specifics of larger businesses in relation to formalisation/standardisation.

become confused with actually being responsible.

For theory to make a contribution to the understanding of CSR implementation, it needs to follow through on the implications of the ongoing and adaptive nature of CSR implementation. This means not only *not* implying the existence of final solutions to CSR but also emphasising the importance of the ongoing nature of this process (rather than trying to diminish it or control it) and exploring what practices may support ongoing adjustment and improvement. In addition, research can investigate how this reality of constant change may be perceived by people within the business and what skills they may need to develop to stay present to (and be okay with) constant change.

5.6.3. Intuitive and organic organisation of CSR implementation

As discussed in 5.3, the findings show that the CSR implementation process (as well as its outcomes) is company-specific, which implies that generic or standard approaches to CSR implementation may not be suitable. In addition, the process of CSR implementation is organic and nonlinear in nature, which implies that CSR implementation cannot easily be defined by certain steps or some systematic progression but is somewhat “messy”. Finally, the CSR process has an important “intuitive” component, and should not be confused with an overly rational process.

The majority of the literature appears to acknowledge this unique nature of the implementation process. For example, Lindgreen, Swaen, and Maon (2009) wrote, “organizations evolve in distinct contexts and face different constraints for which reason they need to develop CSR policies and implement CSR activities that fit their organizational culture, business rationale, and strategic goals” (p. 252). And as Cramer et al. (2006) wrote, “analysis shows that the CSR approach adopted by the various companies varies tremendously” (p. 386). It seems clear to most authors that there is “no general recipe” for CSR implementation, and that, when offering frameworks or “solutions” there can be no “one size fits all” (Van der Heijden et al., 2010, p. 1796). At the same time, however, the literature is still keen to describe certain “standard” steps or phases to the overall CSR implementation process. Khoo and Tan (2002) described four cyclical phases: preparation, transformation, implementation, sustainable business result; Van der Heijden et al. (2010) identify the stages of exploring, translating and embedding; and Maon et al (2009) see the phases of sensitise, unfreeze, move, refreeze. In addition, many articles suggest a certain “standard” sequence to these steps or phases. As an illustration, Maon et al. (2008) suggest the following sequence in their “CSR integration loop”: after stakeholder consultation, upper managers “provide their perceptions of CSR issues ... which in turn serves as the basis for the CSR strategic agenda upper managers [then] typically assess the ... internal CSR strengths and weaknesses, evaluate alternative

strategies and then develop action plans” (p. 418).

While some of these steps or phases are indeed part of the implementation process as found within the sample businesses, within many of these studies the process description often becomes over-standardised (not staying present to company-specific nature); over-systemised (not acknowledging organic, messy nature) and over-rationalised (not acknowledging that the process is not fully rational).

As mentioned, the “steps” do generally not take place in a certain linear sequence, nor are phases and activities as clear-cut and “tidy” as suggested. Many of these activities happen organically or not at all. Values and commitment articulation, for instance, may happen at some point in time but, as the data showed, it generally takes time for them to emerge.

In addition, these descriptions emphasise (and appear to value) that which is formalised and visible in CSR implementation, while CSR implementation within the sample businesses was not necessarily formal or tangible in nature. For instance, several sample businesses did not have a formal values statement or CSR strategy, this, however, did not necessarily reflect a lack of integration of, or commitment to, CSR. Some participants were aware that formal values statements can become a substitute for actually *living* the values and decided not to develop them. Also, supportive monitoring and reporting practices were adopted by sample businesses, but they were generally informal as well. Pendragon, for instance, relies on the intuitive (informal) knowledge of employee satisfaction and happiness rather than on official “measurements”. Similarly, participants described that they supported the CSR implementation process not primarily through certain tangible plans or activities but through, for example, the creation of an internal environment where mistakes are allowed; where open communication can take place; and where there is space to reflect on individually held values. While some of these activities may be more or less tangible, they do not fit neatly into the activities of phases described in the literature.

One limitation of process descriptions and frameworks that are too rational, mostly formal and overly systematized, is that they become mistakenly confused with successful CSR implementation. For instance, when formal activities are emphasized while forgetting about the informal or intangible practices, it may be perceived that it is only these formal practices or processes that lead to successful CSR implementation. Or even worse, that implementing the mentioned activities and frameworks can be understood as *doing* CSR. In relation to the latter, however, this PhD study shows that formalised practices and structures *support* the CSR implementation process and are enablers to CSR, rather than being *it*. In addition, the findings show that the “subtle” or informal practices,

such as those focused on enabling, for instance, an environment where a shared understanding of the values can be established, were just as, or perhaps more, important than the more formal practices. As discussed within the literature section, Sharp and Zaidman (2010) similarly found that implementing structural practices (such as routines, hierarchies and roles) took a *secondary* role to what they called “interpretive legitimacy”, which referred, for instance, to allowing the establishment of “frameworks of meaning” and encouraging learning. Another limitation is that, if the literature does not fully embrace the organic, intuitive and somewhat messy nature of CSR implementation, they do not provide any insight in how companies can be present to this messiness without being overwhelmed by it.

If theory is to provide a valuable contribution to the description and guidance of CSR, there is a pressing need to acknowledge the organic and intuitive elements of CSR implementation rather than rationalizing, systemizing and perhaps “prettifying” the reality of CSR organising. As described in 5.5, the individual lenses do explain several of these aspects of the CSR process already. For instance, the sensemaking lens *does* go beyond an overly rational approach to CSR; the CAS approach within the systems thinking lens *does* address the limitations of a pre-planned approach to CSR implementation (see Table 5.1). The findings of this research suggest that the CSR process is more holistic or more involved than previously assumed in these studies, and that there is a need for a more integrated approach to CSR implementation that draws on, and combines, these different lenses. Given that each lens is attuned to a different aspect of the process, it may be suggested that, in their further development of theory, scholars from the different “lens fields” start talking to one another and work together on integrated models on CSR implementation. For instance, while both this research and the learning organisation lens indicate that supporting “learning organisation capabilities” may be an important part of “successful” CSR implementation, this concept remains as yet underdeveloped. However, by integrating these ideas with the practical insights of the strategy-as-practice lens, as well as the understanding of the organisation-as-open system as derived from the systems thinking lens, progress can be made towards a more comprehensive understanding of CSR implementation.

Table 5.1: Contribution of the different lenses

Lens	Focus
Sensemaking	<ul style="list-style-type: none"> ▪ Attuned to the meaning making involved in CSR: how people think and discuss CSR (and how this influences CSR activity) ▪ Addresses the process of clarifying the values and commitment of the company; understands this as “ongoing” ▪ Pays attention to both managerial and collective reflection ▪ Emphasises company-specific nature of CSR implementation ▪ “Being” part of process is emphasised
Systems thinking	<ul style="list-style-type: none"> ▪ Attuned to influence of external environment on CSR implementation and the need for continuous adaptability (organisation as open system) ▪ Addresses the tensions and complexity of sustainability issues ▪ Addresses complex decision making ▪ Within CAS approach the limitations of “a priori” implementation plans is acknowledged ▪ Emphasises systematic and rational deliberation in CSR decisions ▪ Focus is on endpoints and solutions ▪ Emphasises “Doing” part of process
Learning organisation	<ul style="list-style-type: none"> ▪ Attuned to the “new” reality of values-driven businesses and the uncertainty related to this ▪ Attuned to the adaptive nature of CSR ▪ Acknowledges CSR as evolutionary, unfolding process of change ▪ Acknowledges continuous learning and openness to change as pre-requisite for transition towards sustainability ▪ Emphasises “Doing” part of process (does not apply learning focus on the unearthing and evolving of values and commitments)
Strategy-as-practice	<ul style="list-style-type: none"> ▪ Attuned to CSR as ongoing activity ▪ Distinguishes between interpretative element of CSR (Being) and the practical element (Doing) of CSR ▪ Emphasises learning and communication processes of CSR implementation

However, it is also suggested that within this process of developing more integrated models, theorists continuously stay engaged with the business practice. There is a tendency within current studies to remain conceptual and rather abstract without necessarily testing these ideas and assumptions in the responsible business practice. As suggested in the previous section, however, this has meant that certain, fundamental, incorrect assumptions about CSR implementation have simply been perpetuated, rather than verified (e.g., the legitimacy assumptions). Interestingly, as the literature review shows, the studies that do take an empirical approach (e.g., Sharp and Zaidman (2010)), quickly dismantle currently dominant assumptions (e.g., contrary to common belief, Sharp et al. found that internal communication about CSR is generally *informative* rather than *persuasive* in nature).

On a more general level, given that the ongoing nature of the CSR implementation process is

essential, theorists need to focus on developing a more in-depth understanding of what supports and inhibits this ongoing nature. For instance, they may question, what may be some of the specific challenges or competencies related to always “being in the river”?

5.7. Practical implications

The most important practical implication of the nature and purpose of the CSR implementation process for business is the need to continuously balance different elements of the CSR implementation process and keeping it “dynamic”. For instance, while formalisation of values is important as it allows guidance in decision making and the communication of a shared understanding what the company is about, these statements need to be held “lightly” and not be confused with the “truth” of what the organisation is or does. Similarly, it is about being intentional about CSR activities, while not becoming overly attached to linear steps and plans. It is about stepping back and reflect on what the business is doing, while also being in action and being alert to what is required in that moment. It is about staying present to not knowing the right action to take (yet) and allowing the answers to emerge, while also actively pursuing answers and responding to organisational needs.

As described, there is no standard way of doing this. There may be certain insights of other businesses, with similar values and intentions, that may help the individual business but it is for the business to explore their own unique way of working this balancing act.

While there may not be a “holy grail” for CSR implementation, no grand implementation frameworks or ultimate solutions, the key to this process may be to *live* with the questions, rather than *having* the answers. As several participants suggested, “*Always* coming back to those question of, Who are we?; What is our orientation?; What is sacred to us?; and, Are we acknowledging that?” (Einstein’s Cycles). The focus for values-driven organisations implementing CSR might then be: what supports them in continuously asking these questions; what enables them to answer these questions and do they have the capacity to make adjustments where needed.

5.8. Limitations of study

One key limitation is that this was a not a longitudinal study. In particular to understand learning and change processes, such as CSR implementation, a longitudinal allows would allow further insight into how actual implementation, as well as the understanding of core values and commitments, develops over time. A longitudinal study could address questions such as, are there certain moments in the CSR implementation journey which hold specific challenges for the business?; does the range of areas in which the business applies its values always expand and become more comprehensive, or does it sometimes shrink over time? In addition, since this research is not a comparative study it does not give a comprehensive insight into the differences between the businesses. The research alluded, for instance, to the fact that some businesses may apply their commitments in a wider range of areas than others (e.g., Affinity applying “equality” to the leadership area, while Eden Breads does not; or Pendragon consciously promotes sustainability also with connected hospitality parties, while Phoenix does not). A comparative study of CSR implementation processes might give insight into the characteristics that underlie such differences.

5.9. Conclusion

CSR implementation within the sample business is not characterised by predetermined, comprehensive lists of core values and commitments, or grand implementation frameworks. Instead, CSR implementation is an ongoing process through which the insight into what is of core importance, as well as the understanding of how this is best executed evolves and emerges over time.

Through the ongoing process of implementation, review and adjustment the businesses stay present to what values and commitments are truly held within the company, and respond to the changing internal and external conditions. While formal or tangible practices may be adopted to support this process, it is the active and ongoing questioning of what the company stands for and whether it is expressing that in its actions, which is key to this process.

These insights have considerable implications for the current study of CSR implementation, which, if it is to assist and guide values-driven businesses, needs to follow through on the ongoing, nonlinear, intuitive nature of this process. It is suggested that for a comprehensive and holistic understanding of CSR implementation, scholars should draw on a combination of the various lenses currently present within the literature. The development of theory may benefit not only from collaboration between different fields but also from a continuously testing theory with the empirical reality.

Chapter 6: Between utopia and reality: The conflicts and compromises of values-driven business

It is not always easy ... It is something we face regularly, not so much that you come under pressure in terms of the values but there are always these deliberations, those weigh-ups, and it is actually always a deliberation between ecology and economy

I think everyone who has chosen this way of doing business consciously, they will experience it this way; they will recognise these weigh-ups. Someone who says, No, I don't, I would say they are not serious about what they are doing. (Pendragon Brewers)

There are core values you don't compromise: you don't tell a lie, you don't cheat, you don't deliberately break the law. Those are the sorts of values that are un-compromisable but in the execution it is never black and white, there are shades of grey and you have to take a bit of a pragmatic approach. (Eden Breads)

6.1. Introduction: The “challenges to implementation”- gap

In the previous chapters the description of both practices and processes provided an understanding of both the aspirations of values-driven businesses as well as how they seek to express and achieve them. Despite these beautiful aspirations and the progressiveness of the practices adopted, however, theirs is not a utopian reality and in realising their aspirations they are met with various challenges. While the previous chapters addressed some of the challenges specific to, for example, fulfilling the commitment to employees or collaborating with external others, the challenges related to implementing *multiple*, competing values or commitments are explored here.

While many understand “the integration of the three pillars of sustainable development [environmental, social and economic]” as the “ultimate” challenge of CSR implementation (Hahn & Figge, 2011, p. 326), current research mostly fails to address the challenges of creating a workable balance between the often conflicting values and commitments of the business (e.g. Brown, 2005; Gioia, 1999; Margolis & Walsh, 2003). In particular the preoccupation with the business case for CSR (Calton & Payne, 2003; McWilliams et al., 2006; Orlitzky et al., 2003), has led to a focus on situations in “which economic, environmental and social sustainability aspects can be achieved simultaneously” (Hahn, Figge, Pinkse, & Preuss, 2010, p. 217), while situations of conflict or tension

have mostly been ignored²². Because such conflicts are “the rule rather than the exception” (Hahn et al., 2010, p. 217), this lack of attention presents an important lacunae in CSR studies (Dyllick & Hockerts, 2002; Figge & Hahn, 2012; Kaptein & Wempe, 2001; Winn, Pinkse, & Illge, 2012, p. 64). To arrive at a comprehensive theory on CSR, which is both descriptive and can inform practice, the challenges involved in implementing and managing the various values and commitments need to be acknowledged and explored.

In this chapter I address this gap. By paying particular attention to those situations in which the commitments of the business are in tension with one another, I explore the actual conflicts and dilemmas that confront these businesses on a regular basis. In addition, the chapter gives insight into the various ways in which the sample businesses approach these situations of conflict and how they navigate their way through the maze of competing commitments. While, overall, the businesses showed integrity towards their values and commitments; in particular when significant compromises were made, it was at times less clear whether the values-driven core of the business was truly honoured. To explore this further, in the second part of this chapter, I specifically focus on situations in which decisions seemingly undermined the values and commitments of the company.

In 6.2 I provide some background to the actual process (and challenges) of inquiring into conflicts and compromises. This is followed in 6.3 with a discussion of the conflicts and compromises found within the research. In 6.4 I explore the way in which the sample businesses approached such situations of conflict. A discussion of these findings in the context of the relevant literature is provided in 6.5. In 6.6 I then focus on deepening the understanding of conflicting values and commitments by specifically focusing on situations in which significant compromises were made. The chapter concludes with a brief discussion of the limitations of the study in 6.7 and a concluding section (6.8).

²² For exceptions see, for example, Hahn and Figge (2011), Holt and Watson (2008), and Kaptein and Wempe (2001)

6.2. Background: Research question and interview guide development

6.2.1. Initial research question

As discussed within the Methodology chapter, while the training in a certain discipline and past experiences can bring sensitivity and focus to the research, a known challenge within the grounded theory method is “managing” the tension between extant knowledge and experience and an open attitude to data collection. This tension is particularly relevant in relation to the topic of this chapter. While the majority of findings discussed in previous chapters arose “spontaneously” from the data, the focus on understanding the challenges related to having multiple, competing values and commitments was intentional from the outset of the research. Therefore, it is important to make explicit the extant knowledge and expectations I brought to the research.

I had taken to heart Margolis and Walsh (2003)’s call for a scholarly agenda that takes the tension between the various values and commitments as a starting point for research:

The dispute among justifiable but competing demands reflects the reality that firms face in society today. ... By acknowledging the fundamental tension that exists between the roles organizations are asked to play, organizational scholars have the opportunity to inform practice – and thereby help society- where past efforts have fallen short. (p.296-297)

This focus on competing demands was also aligned with personal questions I had been wrestling with, which related to how I could live with integrity to my values, even when such values compete with other desires or demands from others. Living by my values when no sacrifice or effort is required, or when gain is guaranteed, is easy; however, if life presents situations of paradox and inconvenience, what does one do then? And, if one chooses to ignore one’s values to avoid inconvenience or because a situation somehow necessitates it, what does that say about one’s commitment to these deeper values? The work of Margolis and Walsh, and my own quest, led to the following initial research question: “How do values-driven businesses realise their values and commitments amidst the complexity of organisational life?”. Given this research question, my focus in the interviews was to create an understanding of this complexity by inquiring into tensions, dilemmas²³ and compromises as experienced by the sample businesses (a); and how they

²³ Within the research, I adopted a colloquial understanding of dilemma rather than a strictly philosophical one. This understanding was similar to what the Merriam-Webster dictionary states: “Although some commentators insist that *dilemma* be restricted to instances in which the alternatives to be chosen are equally unsatisfactory, their concern is misplaced; the unsatisfactoriness of the options is usually a matter of how the

approached these tensions, dilemmas and compromises (b).

In the following section I explore how this research focus was translated into actual interview guide questions as well as how the approach to unearthing tensions, dilemmas and compromises evolved as my understanding deepened.

6.2.2. Interview guide development: The pilot study

My main initial concern was how to inquire into tensions, dilemmas and compromises (a) as I considered the possibility that participants may not be open and forthcoming about them. In particular, I expected that participants would not like information about compromises to come out; either for public relations purposes, or, on a more personal level, because they may be uncomfortable or ashamed about them. I sought several ways to mitigate these potential “barriers to openness”. As outlined in the Methodology chapter, by offering confidentiality and anonymity I attempted to remove the first of these barriers. In addition, the pilot studies formed an opportunity to play around with variations²⁴ on interview questions to see what questions worked in unearthing tensions, dilemmas or compromises (a); I also included questions that focused on unearthing the approach to (the way in which participants dealt with) experienced tensions and dilemmas (b).

From the pilot interviews several things became clear. One, it was incomplete to only talk about doing good versus doing well, as tensions arise not just between the environmental/social values and the commercial/financial commitments but between environmental and social commitments as well. For example, participants gave examples of weighing up stocking produce that is organic but needs to come from overseas, or produce which is locally made but is not organic. Two, while the questions into the approach to tensions and dilemmas (b) seemed to “work”, those related to experienced tensions, compromises and dilemmas (a) did not elicit much information and specific examples were scarce. Some participants said they did not have any, or could not think of them. Others, who *did* mention tensions, mainly mentioned operational conflicts, such as weighing up whether to use locally made fabrics (which supports the local labour market but is more expensive) or to source fabrics off-shore (which would enhance affordability for customer but would be more carbon intensive). However, not many dilemmas related to whether or not to compromise environmental or social values for “the bottom line”, came to the fore.

author presents them. What is distressing or painful about a dilemma is having to make a choice one does not want to make” (Source: Merriam-Webster dictionary)

²⁴ Examples of these variations can be found in Appendix 12. As outlined in the Methodology chapter, the interview questions were continuously rephrased, resulting in different versions of the interview guides.

Several reasons were considered for this lack of response, which are listed below. Some of these were, to an extent, confirmed later on in the main research; where this was the case, these confirmations are listed in italics.

Terminology is too abstract. As I wrote in the research diary after 2 pilot interviews, “Both [participant x and y], when I ask them about tensions and dilemmas, don’t seem to relate much to those terms. It did not really start them thinking about challenging situations in their business” (02.09.09). Since terms like “dilemma” or even “tension” are rather abstract it was possible that participants do not associate these terms with actual events in their business practice.

This was confirmed by some participants in the main research. For example, John said,

Even the term “dilemma”. I must say, when ... we were deciding on whether or not to become a sustainability-focused business, we did not see that as a “dilemma” as such ... we saw the threat or danger of making such a decision but nobody said, oh my goodness, this is a dilemma! ... It was more like ... do we dare to make that choice. (Pendragon Brewers)

Limited conflicts and compromises exist. Another consideration was that the lack of “unearthed” tensions and compromises simply reflected that these businesses do not have as many conflicts as expected.

Hiding compromises. Despite the above-mentioned measures, I considered that participants might still feel uncomfortable sharing dilemmas; in particular those situations where they compromised, or did not stay true to, their values.

Limitations of hindsight. As I commented in the research diary,

In hindsight, many things make sense in life. What may have seemed like a difficulty at the time might disappear from your mind after you ... see the whole picture In hindsight tensions are not as acute as they were ... either; so the fact that he did not come up with many might be a reflection of *that*, rather than a reflection of that there weren’t any. This is of course the problem with doing interviews after it happened rather than doing ethnography and seeing things happen. (03.9.09)

In particular for participants who no longer had an active role in the business, this might play a role.

In addition, when dilemmas are solved at the time, they may fade from memory.

These considerations found some confirmation later on. For example, Thomas observed,

You focused in your interview on challenges, which is the most difficult thing to answer I think. Cause a lot of times we ... will say, well we really haven't really had many challenges per se, but of course we have. We just haven't really thought about it or resolved it easily or something, to the point where we didn't remember we had a challenge. (Prometheus Bank)

Similarly, Patrick from Green Valley Organics said, "Once you have resolved something ... it is like learning, once you have learned something you can't understand how you could be so stupid not to know it. [Laughs.] Literally you forgot where you learned it".

Entrepreneurial spirit. It was considered that participants may have an "entrepreneurial spirit" in that, if something does not work, they do not dwell too much on the past and try again. This may impede on bringing experienced conflicts back to mind, since they have simply moved on.

Preference for positivity. Related to the previous, participants may prefer to relate positive experiences such as "achievements" rather than compromises. In particular since, as explained in Chapter 4, many seek to be a business role model it may be important to share that which worked, as opposed to that which did not work.

Several participants confirmed this later in the research. For instance, Pippa said, "I am a positive person; I only like talking about good things. So to pick up things that are slightly painful to anyone, me included, would be difficult" (The Owlery).

In addition, there appeared to be cultural differences in this respect. While these are generalisations that require further investigation, it seemed that American participants found talking about things that did not go so well more difficult than English or Dutch participants. American participants emphasised their successes and what worked well, a tendency perhaps re-enforced by (popular) writers and researchers on the topic of responsible businesses who look for "success stories" and ask businesses to recount positive experiences. One American participant told me that even though they had been the subject of many popular books and academic studies, nobody had asked them the kind of questions I had related to their challenges and difficulties. For English participants recounting difficult situations seemed aided by a self-deprecating sense of humour, quite common to the English culture, which enabled them to jokingly refer to things that "went wrong". Dutch participants appeared quite taken with the intellectual idea of "dilemma" and this encouraged them to reflect on

their own challenges. However, this love for philosophical reflection also meant that some would get a little carried away by intellectual reflections on the topic and I would have to bring them back to the practical, day-to-day reality of their own business.

These considerations informed the formulation and structure of the interview questions for the main research.

6.2.3. Interview guide development: The main study

With these possibilities in mind I adjusted the interview guides as well as the intention behind certain questions for the main study. The resulting questions (those related to unearthing tensions, dilemmas and compromises (a) and approach to tensions, dilemmas and compromises (b)) are found in Appendix 13 (session 1) and 14 (session 2).

The adjustments to the interview guide related to the following points:

To honour the positive achievements (and not just the challenges), I allowed space for these to be expressed. Not primarily through asking about them directly (although I did that on occasion) but by asking participants to relate the journey with their business they had an opportunity to talk about their successes if they wanted to. In addition, I became intentional about acknowledging the “good stuff” they wanted to share, rather than being primarily focused on the tensions and challenges, as I had been previously. To remind myself, I wrote at the start of each interview guide: “Connect with a feeling of compassion and love; and with the idea that they are trying from a good place”. As discussed in the Methodology chapter (2.4.4), with this intention of “hearing” the achievements and honouring their efforts, rather than having an attitude of “come and prove to me that you are a ‘good’ business”, I experienced a shift towards increased openness and trust between the participants and myself.

In addition, I developed alternatively phrased questions/probes about tensions so that if participants did not respond to one question, I could try a similar, alternatively phrased one (for examples, see Appendix 13, question 6). Similarly, I used both “loose”, open questions about experienced challenges (for example, see Appendix 13, question 4c), as well as more directive questions (for example, see Appendix 13, question 6).

Also, I sought to “normalise” tensions and dilemmas as I hoped that this would set them at ease about sharing such instances. In the way in which I phrased the questions I wanted to convey to the participants that I considered conflicts and dilemmas, as well as the resulting compromises, to be “normal” occurrences rather than something extraordinary or disappointing. Initially, I did this by

preceding the questions about tensions with a variation on the following: “Often being values-driven and being commercially successful go hand in hand, but it would be reasonable to expect that at times there are tensions between your core values and your commercial business demands. Can you give an example ...”.

In the second interview, I introduced a framework (Holistic Responsibility Framework) as a tool to normalise tensions further. This framework describes *potential* tensions and compromises in relation to four dimensions (stakeholder inclusion; contributing to humanity or planet; supporting employee development; and maintaining integrity)²⁵. By guiding participants through the different dimensions of the framework²⁶, the tool not only normalised tensions but also allowed for an exploration of those areas and conflicts/dilemmas that may not have come up otherwise. For example, in the pilot interviews difficult choices related to environmental and external social commitments were mentioned more often than those related to employee responsibility. By including the dimension about employee commitments, I hoped that the framework would prompt such tensions if they were experienced by participants. While some amendments were made to the wording of the conflicts/dilemmas mentioned in the framework based on the interview responses, the tool proved robust throughout the interviews.

Using the framework seemed to work well as a tool to encourage the discussion about, and eliciting of, conflicts and compromises. The visual presentation of the framework would “shake” participants out of their current train of thought in the interview, and, by going through the different dimensions of the model, it did assist in the reflection on a greater variety of tensions. As one participant said in relation to the model, “I think you got more out of me than in the first interview!”. Or as another one said,

This is a good way of doing it. I don’t think you are going to get these any more concise. They are a way of bringing whatever is in the middle [of the model: the higher aspirations of the business] to life You often just need a framework to talk about it with These are all things that I suppose I spend quite a lot of time thinking about without particularly having a structure. So it is quite ... it is often good to have a structure, especially if you are going to communicate with other people about it. (Green Valley Organics)

In relation to exploring their *approach* to experienced conflicts and dilemmas (b) in the second

²⁵ For a description of the background to the model, see Appendix 15

²⁶ A description of how I presented the framework is found in Appendix 14. A visual representation of the framework, as well as the slides used, is found in Appendix 16.

interview, whenever participants would raise a conflict or dilemma I would use probes such as: Can you describe the situation?; Why was that particular choice made?; Who dealt with this conflict/dilemma?; Which people/boards were involved?; How was a reasonable solution to this dilemma determined?; How did you feel about this decision? In addition, I would generally choose a few experienced tensions or dilemmas that were mentioned in the first interview and enquire into how they dealt with that particular situation. For examples of the kind of questions asked see (b) in Appendix 13.

The responses to these questions and the framework brought a variety of conflicts and compromises to light (a), which are explored in section 6.3. The findings around how participants *approached* these situations of conflict (b) are discussed in the section 6.4.

6.3. Conflicts and compromises

This first part of this section, 6.3.1, provides an overview of the challenging decisions that the sample businesses face as a result of competing or duelling values and commitments. In the second part, 6.3.2, I reflect on these findings and discuss the participants' perception of these conflicts and compromises, and in 6.3.3 I compare this to my initial expectations.

6.3.1. Findings: Actual conflicts and compromises

Here I discuss Operational, Strategic and Philosophical conflicts and compromises as they arose from the interviews. The aim is to create an understanding of the reality that these values-driven businesses are faced with on a daily basis, rather than to provide an exhaustive overview.

Operational conflicts and compromises

Operational conflicts and compromises are defined as those relating to different business areas, such as marketing, production, finances and human resources. In the following I give generalised examples, while illustrative examples for each area are found in Appendix 17.

Production and manufacturing. Many businesses experienced difficult choices in terms of their production or manufacturing. Businesses such as Everest, Affinity, Pendragon or The Owlery mentioned conflicts or dilemmas related to “what” to manufacture or “how/where” to do so.

In terms of the previous (the “what”), participants shared examples of on the one hand wanting to use environmentally friendly materials for their products (such as organic fibres), which would satisfy their environmental values, and on the other hand being concerned that such products would be less desirable commercially as they may be less durable or fashionable, or may simply become too expensive for the customer. In terms of the “how/where” of production, many participants struggled with the tension between manufacturing locally (which would satisfy their social/environmental values) and the cost efficiencies in manufacturing overseas. Similarly, growing produce overseas or in another state may be the best choice in terms of the environmental values (freighting the produce back is often less fossil fuel intensive than growing it locally in hothouses), but this decision may be in tension with the commercial values as customers prefer the idea of locally grown produce (Green Valley Organics).

Supply chain. Most retail-orientated companies (e.g. Einstein’s Cycles) reflected on conflicts and dilemmas in relation to what retail stock to carry.

Many conflicts related to the nature of the product and the environmental impact of obtaining or freighting the product (see Appendix 17). For example, The Owlery and Mulberry Grove mentioned conflicts between being committed to organic or fair-trade products, which are not locally made or grown, and the environmental impact of freighting these products. Other dilemmas focused less on the nature of products but more on the fairness towards both suppliers and customers when considering what to stock. For instance, the tension between wanting to support local, values-driven suppliers (who are more expensive than other suppliers) and a commitment to offer affordable products to customers. In addition, several mentioned the tension between wanting to honour suppliers, in terms of paying them fairly, while also taking into account the financial impact of this on the business.

Sales and customer care. In terms of Sales, companies such as Aroha Events and Brougham Group had considerations around whether it was right or not to sell their products or services to certain customers (e.g., the army, tobacco companies) or for a certain end-use (e.g., war). These dilemmas focused on the tension between social or environmental values and commercial expediency.

Retail-orientated businesses such as Affinity or The Owlery also experienced the tension between wanting customers to buy what is truly right for them and not wanting to “push” products onto them in the store, while also needing to sell enough products to stay in business. In addition, quite a few participants struggled with the fact that by selling more products, they are contributing to resource-consumptive problems. This tension was particularly present for producers of trend-

sensitive products (customers buy or replace on the basis of fashion trends rather than on reduced usefulness or functionality), such as the clothing of Affinity and The Owlery. For instance, Christine from Three Brothers, which produces a highly consumable product that is not trend-sensitive, expressed a “sense of gratitude” that they make

Something that’s consumable in the best sense of the word. [The founders of values-driven business X, renowned for its environmental commitments,] are friends of mine and ... they have some unease about [searches for words] ... They’re getting people to buy new jackets ... when they have perfectly great jackets already but they’re the wrong colour ... or they aren’t the coolest, newest fabric.

Other participants had slightly different examples of where the commitment to integrity towards customers (which was not always an explicit commitment) was in tension with enhancing their financial position. Steven (Landrijsk Insurance) and Warwick (Aroha Events), reflected on situations where the company had uncovered money internally, which they felt, based on their values, really belonged to the customer. However, as the examples in Appendix 17 show, keeping the money would not only have significantly helped the companies as they were struggling financially at the time but it would also have been “justifiable” by “normal” business standards. In addition, as in the example of Aroha Events, the customers themselves did not even *want* the money back and considerable time and effort was required to follow through with which they considered was “the right thing”.

Marketing and public relations. Conflicts around marketing or PR were frequently mentioned. These tensions generally related to the need to promote the business and its products in order to secure continuity and financial wellbeing, while at the same time struggling with how promotional activities “fit” with other values.

Participants mentioned, for instance, tensions between promotion and environmental concerns. Companies like The Owlery struggled with the environmental waste promotional materials produce and that, while they are producing a “green” or sustainable product, by the very act of promoting it they actually contribute to environmental pollution. Another interesting dilemma related to the tensions surrounding promoting the business in an authentic way. On a general level, many struggled with the whole idea of marketing and promotion as they associate it with creating an image and being “fake”, which for many was in contradiction with their values of integrity and honesty. More specifically however, the tension around authenticity arose for many participants

(e.g., Everest) because they found that other businesses within the industry would claim similar environmental or social values or product attributes without these actually being a true reflection of their business or product. This would raise the tension between wanting to promote their product/service in an authentic way but, if they would “honestly” describe their product it would not stand out from competitors who “dishonestly” claimed the same properties for their product or service (for an illustrative quotation, see Appendix 17). Participants struggled also with the fact that the very act of promoting their product or business may in fact cause the public to “undervalue” it as it may become confused with their “inauthentic” counterparts. As David questioned,

How do I avoid cheapening what is so real? How can you avoid damaging its genuineness and authenticity and cheapening the product by the very act of promoting it? That’s a metaphysical dilemma for which we do not; if there’s a Holy Grail solution out there we haven’t found it. (Prometheus Bank)

For other businesses, like for example Whitcoulls Bank, this tension between authenticity and promoting the business worked in the other direction as well, as they did not want customers to *overvalue* their business. In other words, some were concerned that through certain marketing efforts customers would get an impression of the business that did not correspond with the reality. In this respect, several participants reflected that there is a tendency, in particular in the media, to place sustainable or values-driven businesses on a pedestal while, knowing its own imperfections, this may not always be the way the business wants to portray itself.

Human resources and employees. Human resource related tensions were also common in the interviews, many of which are already addressed in Chapter 3. Recurring were tensions between the desire to do right by employees and the need for productivity and efficiency. For example, participants such as Affinity, Pure and Brougham Group reflected on the conflict between employee participation or involvement and being efficient and agile in decision-making. Similarly, as many participants (e.g., Tom (Einstein’s Cycles), Christine (Three Brothers) and Jeremy from (Aveda Organics)) pointed out, there is always the tension between considering the urgent business demands, such as deadlines, and wanting to honour employees’ need for rest and relaxation. Another common and obvious tension mentioned was between wanting to provide employees with benefits, such as those related to education, healthcare or pension, but this being in tension with the financial wellbeing of the company (e.g., Nature Foods, Brougham Group).

Strategic conflicts and compromises

While often related to operational tensions, conflicts and compromises were also present on strategic business level. Illustrative examples are found in Appendix 18.

Growth/expansion. Many participants reflected on the tensions related to growth and expansion (e.g. Mulberry Grove Organics, Pure). On the one hand businesses considered the benefits of growth and expansion, such as additional financial resources; growth and development opportunities for employees; or the opportunity to have more of an impact/influence as a role model. On the other hand, they also saw the downside of growth, such as the challenge of maintaining the internal culture and the connection with employees; or the negative impact of growth on the natural environment through increased consumption. As for instance Patrick explained,

There was a conflict there, growth and scale ... it has to do with ... good human relationships between people at work; and between work and their suppliers or customers. Just being able to have those sort of relationships ... is just very difficult ... when you get to be a large business. (Green Valley Organics)

Ownership/succession. The majority of businesses (e.g., Eden Breads, Nature Foods, PSG) also reflected on tensions related to ownership structures and succession. One of the main tensions described here was finding an ownership structure that would allow for the founder(s) to step back and (finally) draw some financial resources from the business while also honouring the commitments towards employees, such as the continuation of the business and honouring their contribution to growing the business. For many, selling the business, whether to a venture capitalist or to another business, would satisfy the first, but definitely not the second requirement. In addition, there were the obvious considerations around becoming a public company or not. While many rejected the option as they knew that a public ownership structure would impede on their freedom to apply the values in a way they saw fit, several participants acknowledged that they did require additional capital (for either continuation or expansion) and had trouble raising this in another, non-public way.

Philosophical conflicts and compromises

Finally, while not common to all participants, philosophical conflicts were also mentioned.

Illustrative examples are found in Appendix 19.

Most commonly these related to the aforementioned resource-consumptive issues. For example, participants questioned their existence in relation to their negative impact on the natural environment; even though they actively seek to minimise their negative impact, they argued that by being in business they *always* have an impact (e.g. Three Brothers). Similarly, while they actively promote conscious consumption and seek to create durable products, participants still struggled with the idea that simply by having a business that produces or retails consumer goods, they inherently promote or aid consumption (e.g., The Owlery).

A few participants also questioned whether they should *continue* to exist. While on the one hand they have a commitment to their employees and the continuation of the business in general, they also questioned whether the business is still adding sufficient positive value to justify its existence.

6.3.2. Reflection on the findings: Conflicts and compromises as normal part of reality

Unsurprising perhaps, the findings confirm that the multiple values and commitments adopted by the companies indeed give rise to a variety of tensions and that participants constantly face weigh-ups and dilemmas in decision-making. The data show tensions between social/environmental concerns and commercial expediency, such as tensions between efficiency and employee participation; customer integrity and marketing; environmental waste and promotional activities. In addition to such tensions between “doing good” and “doing well” (the bottom line), tensions between “doing good” and “doing good” were also common. Also, the data show that conflicts arise not just between *two* values or commitments but also often between *multiple* values and commitments. In addition, the data confirm that many of these tensions indeed lead to *compromises* or *trade-offs*. Or, in other words, the pursuit of environmental, social and financial values and commitments is definitely not always a not a case of “win-win”.

What is of interest is that the data show that participants considered tensions between the commitments as a *normal* and *accepted* part of their reality. In other words, in the understanding of participants adopting a values-driven approach means that there inherently will be weigh-ups and dilemmas. Tom (Einstein’s Cycles) reflected, “Being in business and being ‘in trouble’ are the same thing. The day you are out of trouble is the day you are out of business I love that saying ... it’s a reminder: dilemmas and dilemmas and dilemmas”. Or as John (Pendragon Brewers) said, “There are always these deliberations, those weigh-ups Everyone who has chosen this way of doing business

consciously ... will experience it this way ... will recognise these weigh-ups". In a similar way, the resulting compromises were seen as a normal, everyday occurrence; and they are accepted as a natural consequence of adopting multiple commitments. As an illustration, Rob said

Of course, our commitment to sustainability costs a lot of money. For example, the costs of running our [sustainability] department, all those ... researchers²⁷ have to be paid. But also the time it takes to have stakeholder dialogues. And it makes the processes and procedures more complex, so you are not as flexible as you could otherwise be. But all of that we accept as a consequence of our commitments you have to make concessions. (Whitcoulls Bank)

Rather than understanding the existence of tensions and compromises as something that can be resolved or should be avoided, they were simply understood as inherent to being a values-driven business. This perspective on tensions and compromises as "normal" and "natural" may have also played a role in why unearthing dilemmas and compromises was challenging: situations of dilemma and compromise may have simply not stood out for them.

In the next section I discuss how participants dealt with the tensions and compromises discussed in this section. Before doing so, however, I compare some of these findings with my initial assumptions.

6.3.3. Comparing the findings with initial assumptions

A review of the data showed that I made some incorrect assumptions at the start of the research. One relates to the participants' view on their various values and commitments. In my initial conceptualisation I had viewed the various values and commitments of the business as relatively *discrete* elements. In the interview questions as such, I had framed many of the tensions and dilemmas as a choice between "doing good" or "doing well". Similarly, I had often placed the environmental and social commitments over and against the commercial business demands. Participants commented, however, that my depiction of these choices as "doing good" or "doing well" (this vs. that) statements implied that the "doing good" could somehow be separated from the "doing well". In their view the values and commitments they had adopted (including the financial ones) formed a coherent *whole*, rather than discrete parts that could be added or removed. In other words, for them, the social or environmental commitments were not something that was added on

²⁷ He refers to those who investigate whether an investment option fulfils the sustainability criteria.

to “the outside” and that could be “removed” at any time; instead, they always seek to do the right thing (e.g., as in pursuing environmental and social commitments). As an illustration, when I asked Kay (Affinity), “Do you continue to do the right thing even if it does not make business sense?”, she said, “It’s a non, it’s not really, it doesn’t even come up for us. It’s: of course we’re gonna do this, we have to, we’re a conscious company”. It is *all* these commitments that determine who they are as a business. As Jeremy explained,

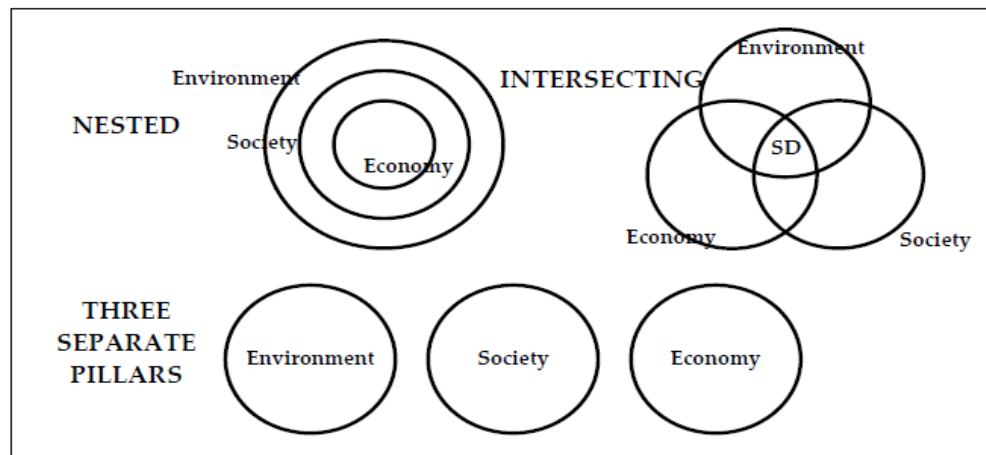
The DNA of Aveda Organics are all the things that you have read about ... fair wages, health care, organic, packaging ... that is the DNA of the company. That is not something we do in addition of the product, so you can’t pull the DNA out of the host, it does not work that way. It has to exist together. It’s not even a co-existence, it’s just an existence.

It is important to note that they did not imply that they were perfect in the *execution* or that there were no conflicts of interests when trying to fulfil the values or commitments; they merely sought to explain that (despite their limitations in execution) all these values/commitments were fundamental to who they are as businesses. In fact, it appeared that they could not really understand how you could *separate* social and/or environmental concerns from the business. For instance, when I asked Marianne (Green Valley Organics), “Can you tell me of times that you were particularly pleased that you kept true to your values?”, she said after a long silence, “My mind goes completely blank. I don’t know what else you would do, if you don’t keep true to your values. What is the point of anything in the end, I mean how do you live with yourself?”.

Barter (2009), in a study focused on businesses that have environmental sustainability as part of their core mission, made a similar observation in relation to social, environmental and businesses concerns not being considered “separate” from one another. When in this study participants were asked whether they saw the relationship between the economy, the environment and society as nested, intersecting or as three pillars (see figure 6.1 below), many interviewees rejected these conceptions. They said that they didn’t see a distinction between the three and that

Any boundaries were artificial, that a holistic framework needed to be taken and that whereas for other organisations the environment is “just another category they need to deal with” ... for ... them ... the environment is part of their DNA rather than just bolted on In this regard their views allude to a more boundary-less, less compartmentalised view of their organisations. (p. 66)

Figure 6.1: From Barter (2009, p. 67)



In short, in contrast to my initial assumptions, these observations suggest that this particular sample has a holistic view on the business and its responsibilities rather than a dualistic or discrete one.

My second assumption related to the relevance of tensions and compromises. I had made the assumption that the occurrence of tensions and compromises would be special and noteworthy. As the research progressed, however, I realised that I had assumed these situations to be “noteworthy” because they would push businesses to reflect on what they *really* cared about; that their *solution* to tensions would be indicative of their “true nature”. If there was a dilemma between commercial *or* environmental interests, for instance, their decision for either would indicate what they ultimately valued. While this assumption seems innocent enough, I had unquestioningly adopted the idea that the sample businesses would probably not be able to live up to their ideals and that I would “catch them out”; I had come to the research with a “critical”, or perhaps cynical, perspective on business. This perspective not only limited the data I was unearthing but also my interpretations. For example, initially, when no compromises were mentioned, I suspected participants were hiding them. Or, when a participant explained how their business seeks to take all dimensions into account, my immediate thoughts were that the real meaning of this comment was that they would only do “the right thing” when it served the bottom line too. It was only after following the intuition that I was not “getting” something about how these businesses viewed their reality that I went beyond my own assumptions.

What is significant here is that both this critical perspective on business, as well as a dualistic or discrete research approach, is common and often dominant in academic research.

In terms of the previous, within academic studies related to CSR as well as business ethics, the inherent ethicality of business and the capacity to remain responsible is always questioned. Perhaps because business has so often failed to live up to their responsibility claims, this view is understood as justified and “realistic”, and therefore unquestioningly adopted. However, if this view on business is not explicitly questioned, in particular in the context of values-driven businesses, it may severely limit what these studies may find. In terms of the latter, the findings raise questions about whether academic methods are too dualistic to investigate this kind of business. A business professor I spoke to in the context of my reflections on Affinity (as mentioned in the Methodology chapter), who had done extensive research at Affinity, similarly remarked that current research perspectives may be insufficient for understanding the reality of these businesses. When I explained how I felt challenged in really being able to see Affinity for what they are and felt that I was missing something important; she remarked that the academic way of asking questions about tensions, for example, is too dualistic for Affinity. For them, it is not black and white, not “this” or “that”; it is both, it is whole. Again, however, despite the potential unsuitability of methods, they are often unquestioningly adopted.

Without questioning underlying assumptions and approaches, what academic research finds about this values-driven business will remain limited, or may just confirm the unquestioned assumptions on which it was based. In many ways this is a different and new kind of business that will require a carefully considered different approach. As such, the question whether our current way of thinking about business, as well as our current research methods, are appropriate for these businesses is an important one, which requires further investigation. In Chapter 7 I reflect on this in more depth.

6.4. Participants’ approach to situations of conflict

In this section I discuss the common approaches to situations of conflict and compromise (6.4.1), as well as some of the overall characteristics of these approaches (6.4.2). In concluding this section, in 6.4.3 I reflect on the lack of “absolutes” when finding solutions to conflicts.

6.4.1. Findings: Common approaches

When it came to making decisions on situations of tension, it was clear that a tension between multiple commitments did not necessarily lead to a complex or difficult dilemma and did not always require a great “approach”.

In many cases the answer to a conflict or tension was clear almost instantly; businesses simply “knew” what the right thing was, without long or difficult deliberations. For example, to refer back to an example mentioned earlier, while it was definitely in tension with their financial wellbeing, it was never a real dilemma for Aroha Events or Landrijk Insurance whether or not to pay back the money they uncovered to customers; it was simply the right thing to do. Steven explained that it “was a very, very short argument. It was probably a minute of people all understanding that this was not our money [Paying it back] was consistent with our values” (Landrijk Insurance). Similarly, when Paul needed to decide whether to sell Eden Breads to a company that would not take the factory workers on, it was crystal clear that “no, that is unacceptable”; selling without looking after staff was not an option. Or, even though there is a tension between paying employees a living wage and financial wellbeing, Jeremy from Aveda Organics explained, “Do we pay people ... \$6 an hour or do we pay them a living wage? It’s not even a question; it never even comes to the table There’s never been any big, monstrous decision. Again, it’s ... that DNA”.

From the data it is clear that “knowing what to do” in these situations was often not based on a *rational* deliberation or a systemised review of options, but arose from a “gut feeling” or following one’s heart. When I asked Pippa (The Owlery), which criteria she used when deciding to use a fabric that is eco-friendly *or* one that will last a long time, she said, “[Instantly:] gut ... Cause you just know”. As another illustration, when it was decided to move Everest’s production out of The Netherlands and offshore, they told the staff immediately even though HR experts had warned him that this would negatively impact morale and productivity. When I asked him *how* he had made the decision whether or not to tell his staff immediately, he explained, “I just could not do that!!! ‘Not in line with our values’ is kind of a heady approach ... We just couldn’t do that ... to people We followed what was in our heart”.

Therefore, while there may be a conflict between different commitments, it is often clear to the company what the right decision is with no necessity for some great “approach”.

In other situations, where the “solution” to a tension or conflict was not immediately clear, a few other approaches were mentioned by participants. *Calculation* of different options was one of them. As with “normal”, not specifically values-related, business choices, conflicts between commitments were solved by calculating the consequences of each option and prioritising the options on the basis of the outcomes. For example, in the abovementioned example of Green Valley, where there was uncertainty over whether to grow produce locally or in a warmer State, they calculated the carbon output of both options and based their choice on this. However, in most situations of conflict, calculations were not possible or appropriate. For example, while some environmental

consequences of decisions can be calculated in terms of financial impact or CO2 output, as many (social) consequences are not quantifiable. In addition, even when calculations *are* possible, decisions may still not be clear-cut. As also mentioned in Chapter 5, participants pointed out that when it comes to making decisions on values or commitments, personal ideologies about what feels right and what does not feel right need to be taken into account and that is “not science” (Pure). As such, most commonly participants resorted to *deliberating* or *debating* different options as a way to decide on a tension or dilemma. Such discussions generally took place in routine, internal business forums, such as staff or team meetings. Numerous examples were given to illustrate this approach; for instance, referring to stock dilemmas, Marianne explained,

We sell non-organic ginger all year around because we cannot ever get organic ginger. So one manager said, if we sell non-organic ginger, why don't we sell non-organic tomatoes in winter? And how do we resolve these kinds of compromises? They get revisited, often, and we resolve them around the table, we flesh them out (Mulberry Grove Organics)

As mentioned in Chapter 4, participants involved external others in debating dilemmas. For example, Whitcoulls Bank deliberates with NGOs when faced with dilemmas, while Pippa has “these debates about what the benchmark is for so many things” with like-minded people in the industry: for instance, “Like you can argue that fair trade products are good, but if it's shipped from Indonesia, it's not great. And then there is locally made, but then it's made of nylon” (The Owlery).

Whichever approach they used, however, several common characteristics could be identified, which are discussed in the next section.

6.4.2. Findings: Common characteristics in decision-making

Several common characteristics to decision-making can be identified.

Decision-making in situations of conflict was generally characterised by *collaboration*. As is clear from the quotations above, but also from Chapter 3 and 4, decisions are often made with the involvement of internal and/or external others. When it came to calculating the environmental impact of different freighting options, for example, Green Valley sought the help of a university to help quantify this.

In addition to the collaborative nature of decision-making, decision-making was often characterised by *creativity*. Creativity refers here to the active and thoughtful pursuit of alternatives when encountering situations of contradictory commitments, and was reflected in the willingness to question traditional ways of doing things, such as considering alternative products, materials, processes or structures. For example, when faced with the conflict of The Owlery's marketing brochure (need to promote the business/environmental impact) Pippa actively questioned, "How do we market our product then? What is another way we can do this?". This kind of questioning was recurring and reflects openness to new ways of doing things and to find a solution for this conflict. Creativity also showed in the playfulness with which participants experimented with different solutions and options. For example, faced with the tension between wanting to make their leadership structure collaborative and also remaining agile, at Affinity they "kind of played with [different structures] for about a year".

This creativity was useful in *solving* conflicts but was *particularly* important in those situations where no obvious solution was available or where compromise was somehow inevitable. In these situations a creative approach did not serve to avoid a trade-off or compromise, but helped to *mitigate* the negative consequences.

For example, most businesses know that by being in business they put more stuff in the world and add to the resource-consumptive problem (unresolved conflict). By thinking creatively about other initiatives, however, they manage to mitigate some of the negative influences of being in business. Numerous examples of this were found in the data. At Everest for instance, they make products that not only last a long time, but which are not trend-sensitive in design. Or at Aveda Organics, while the process of packaging and shipping their products *will* have an impact, they have developed not only the lightest packaging possible but it is made from 100% post-consumer waste, fully biodegradable and is also "plantable". The latter means that when consumers are done with the packaging they do not have to send it into the waste stream; instead they can plant it and turn the packaging into new life.

Companies also showed this "creative mitigation" when the business experienced financial pressures, compromising other commitments. For instance, when the recession affected Affinity, they had to compromise several of their employee services (unresolved conflict): "We had to curtail our wellness benefit quite a bit, and then we eliminated a lot of our services". However, to mitigate the negative influence of this compromise,

[Our Wellness leader] was able to think creatively about how to bring other kinds of services into those spaces that were very low cost to the company. She herself is a massage therapist

so she got a couple of other certified massage therapists ... to come in and give chair-massages to people at their desks at every location Just to remind people that, yes ... we care about you.

Finally, creativity was also important in *anticipating* tensions or conflicts. For example, at the time of the interview, the plan was to float Landrijsk Insurance within the year. Since Steven knew that going public would compromise their commitment to openness and honesty, he was already exploring different options of how they can avoid compromising their communication with staff: "We are looking at it now, as to how it is going to work how are we going to be able to communicate as well as we did before, in an environment where we cannot communicate as much?".

As a last common characteristic to decision-making; rather than treating values-driven decisions or activities differently from other business activities, the interviews showed that dealing with tensions or dilemmas often fell within *routine or normal business processes*. As Rob explained,

If our department [responsible for the sustainability focus of Whitcoulls Bank] needs additional resources, than that can simply be requested We just approach that pragmatically, we don't have to "defend" our need for resources against other expenditure within the company. An expansion of our department is given equal weight to an expansion of any other department within the company. It falls within the same processes.

Similarly, reflecting on how he deals with situations where it is difficult to attain a balance between the different commitments, Steven (Landrijsk Insurance) explained that it was generally simply a case of "prioritisation If a problem does not need solving right now ... then leave it If there is a problem that, unless you do something about, it will fall over, you attack that. That works in all of our areas". In addition, while non-commercial values/commitments may arise from a place of passion or a sense of a higher purpose, this did not mean that participants were unable to be pragmatic when situations of conflict arose. Rather than being dogmatic about certain commitments, participants reiterated the importance of being "strong on common sense" (Mulberry Grove). In that respect, Pippa from The Owlery said, "I cannot afford to be idealistic all the time. Actually, you can't even be idealistic: you have got to understand what the scenarios are to make your decisions". Therefore, many conflicts and dilemmas were treated with common sense and fell within "common" business processes.

6.4.3. Reflection on the findings: Being responsible is not black or white

Whichever approach they used, it was clear from the data that answers to conflicts were generally not “black or white” (Green Valley Organics) but rather “shades of grey” (Eden Breads). Participants reflected that there was often not one “right” response to conflicting values or commitments:

“There are not any right or wrong answers; they are decisions that you make” (Mulberry Grove). For instance, at Green Valley Organics they face the dilemma whether to use plastic or paper bags for their produce. A calculation of environmental impact shows that in terms of CO₂, plastic bags are the best option. However, as Patrick explained,

It is not all about CO₂, we have plastic bags blowing around all over the place and they get in the marine environment and mammals do eat them and they do die. And that is pretty upsetting. So you can’t just put it all down to CO₂. So there are no black and white, this is right, this is wrong arguments.

Even in those cases where participants felt strongly that one answer was right for them, as was explored in Chapter 5 as well, they understand that it is generally not an “absolute” or “permanent” right. As new information arises, or as the people involved in the debate change, or as the specifics of the situation change, their answer may be different. As Warwick from Aroha Events explained, “We all can make different decisions at different points in time ... it’s grey”;

Take oil companies [for instance]. We did work for one of them and then our event managers on the North Island decided ... they didn’t want to work for Esso. I can’t remember whether it was because of their environmental records or their lobbying

But ... we might work for Esso at some point ... if they launched some campaign against climate change we might not work for them.

In addition, there is an understanding that while the business may not have an answer to a conflict or dilemma, because they are in business they do need to “get on with it” and make a decision. As the quotations illustrate, participants knew they could not always wait until they had all the information or the “best” solution. As Marianne observed “doing things in a purist way” (Mulberry Grove Organics) may be in tension with moving forward

Quite often, in fair trade and in organics ... there was someone in the room that did not want to take action unless it was the right action being taken for the right motives by the right

people. Well, you know, you wait an awful long time for that.

Similarly, Rob said,

Morally Whitcoulls Bank is driven by “equality” but that leads to many dilemmas for which we don’t have an answer. But we deal with this pragmatically, otherwise we don’t get anything done and then we can’t make a contribution towards a more just society at all. So we do drive cars and we do use mobile phones, which possibly contain materials which come from the mines in Congo. So the question of “how far do you go” plays a very important role.

Therefore, as alluded to earlier, despite being quite idealistic in the kind of business they seek to create, in moving forward, it was less about finding permanent or perfect solutions to conflicts but more about continuing “to chip away at it little by little and we’ll get there” (Affinity) and “just taking little steps towards changing the reality” (PSG).

In conclusion, while situations of tension and conflict are common, the data showed that these situations are accepted by participants as a normal part of their reality and are not *necessarily* considered problematic. The findings show that many situations of conflict were dealt with by following a gut-feeling; through thoughtful deliberations with others; by applying routine business processes or practices; and by thinking creatively about alternative ways of doing things. While there are generally no straightforward “solutions” and while deliberations generally took great time and effort, on the whole, participants appeared quite capable of dealing with conflicts and dilemmas. And despite being less than flawless in the execution, in many situations participants indeed appeared to make decisions that were, as best as they could, in line with their values.

However, the previous also suggests that this may not be the whole story. The fact that decisions are not black or white, and the fact that participants do “the best they can for the situation they are in”, could lead to extreme relativism in applying the values. As the last quotation of Whitcoulls Bank questioned as well, “how far do you go?”; when have they done the best they could? While it is clear that they *have* to be pragmatic in responding to conflicts and that it is no doubt a case of “doing the best you can”, are there situations when “doing the best you can” is not enough in terms of being a values-driven business? As Paul (Eden Breads) said, “It is not so much about compromising values. There are core values you don’t compromise ... but in the execution, it is never black and white,

there are shades of grey and you have to take a bit of a pragmatic approach”, but when are you compromising the values in being pragmatic? When is the business still honouring its values and commitments?; when is it still “responsible”? I explore such questions in the second half of this chapter (section 6.6). First, in 6.5, I compare the findings discussed above with the existing literature.

6.5. Literature: The “beyond win-win”- CSR literature

In this section I review the findings in the context of the relevant literature. As mentioned in the introduction, within the CSR literature there has been a lack of attention for the challenges of CSR implementation. As mentioned earlier, a continued focus on the reconciliation of social and environmental values with commercial commitments has averted attention from studying the challenges to implementation. Within the section 6.5.1, I explore those CSR studies that have consciously gone *beyond* this win-win focus and consciously take the tensions between the different business dimensions into account. In 6.5.2 I compare the findings to these studies.

6.5.1. Overview of the literature

Before giving an overview of this literature, two short remarks. One, studies that take tensions seriously and are explicitly reviewing the challenges and complexity of CSR implementation are limited and there is no great “body of literature” to speak of. The theory and research that does speak to this issue has been generated by a few authors who share the concern for this gap in the literature. These studies are predominantly found in the “sustainable development” literature, which tends to talk about CSR implementation as “triple bottom line integration”. Two, given that Chapter 5 already addressed elements of the CSR implementation literature, I will keep this section concise and will at times refer back to the findings of the literature review done in Chapter 4.

The starting point for the majority of these studies is twofold: one, the acknowledgement that there is a pressing need to go beyond the win-win paradigm, and two, the assumption that there are indeed tensions that exists between the various commitments of the business (e.g. Angus-Leppan, Benn, & Young, 2010; Hahn & Figge, 2011; Holt, 2012; Kaptein & Wempe, 2001; Walley & Whitehead, 1994). In relation to the first, Winn et al. (2012) write for example, “The win-win approach which is so en vogue must once again be complemented with a deliberate evaluation and assessment of trade-offs – albeit a more sophisticated understanding and treatment of such trade-offs” (p. 63). In relation to the second, most authors, often explicitly, agree with Margolis and Walsh

(2003), who argue that organisational inquiry “must go beyond efforts to reconcile corporate responses to social misery with the neoclassical model of the firm. Rather, this social and economic tension should serve as a starting point for new theory and research” (p. 280).

Although all authors embrace the challenge and complexity of implementation, they differ in how they conceptualise this. The majority of studies addresses this within the context of triple bottom line integration and refer as such to the integration of the three main pillars of sustainability: ecology/environment, social and economic, rather than use the language of “values” or “commitments”. While some authors simply refer to “tensions and complexity of sustainability issues” (e.g. Córdoba & Campbell, 2008b; Porter, 2008, p. 339), most conceptualise complexity more specifically as “dilemmas” (e.g. Kaptein & Wempe, 2001; Maon et al., 2008; M. Reynolds, 2008) or “trade-offs” (e.g. Angus-Leppan et al., 2010; Gibson, 2006; Seuring, Sarkis, Müller, & Rao, 2008). Kaptein and Wempe (2001), for instance, focus on “fundamental dilemmas” (p. 91): the conflicts between economic, environmental and social responsibilities as they arise from stakeholders making conflicting demands on business. They refer to them as “ethical dilemmas” (p. 92) and identify, for example, the dilemmas between “mass dismissal of employees to enable the survival of the enterprise versus job security” or “positive discrimination versus the best person for the job” (p. 92). M. Reynolds (2008) describes the dilemmas of CSR on a more general level. He mentions two central dilemmas of CSR implementation: “the holistic dilemma of addressing triple bottom line interests in economic, social and environmental issues” and “the dilemma of nurturing cooperation amongst stakeholders having diverse viewpoints” (p. 383). Maon et al. (2008) simply refer to “dilemmas among the competing interests of stakeholders” (p. 146) without providing much further specification about these dilemmas.

Other studies focus instead on the “trade-offs” that may be required for the implementation of CSR within the business. Hahn et al. (2010) define “trade-offs in corporate sustainability [as] situations where economic, environmental and social aspects of corporate sustainability cannot be achieved simultaneously” (p. 218). They identify four levels of trade-offs (individual, organisational, industry, societal) and three dimensions of trade-offs (outcome, temporal, process). Keeping the definition of trade-offs quite general, the outcome dimension refers to “the actual effects of corporate activities with regard to sustainable development” (p. 222); the temporal dimension “covers all trade-offs between present and future aspects in sustainability-related corporate behaviour” (p. 222); and the process dimension “refers to trade-offs in corporate strategies, processes and transformations for sustainable development” (p. 223). They argue that trade-offs do not just occur within each dimension/level but also between the different levels. Winn et al. (2012) emphasise that while

strategic management may not be a stranger to difficult trade-offs and dilemmas, “what is different about sustainability trade-offs is the vastly expanded scope and number of factors: long-term versus short-term at individual, organizational, societal and environmental levels ... considerations that are increasingly deeply entwined with strategic reputation management, as these diverse factors are being voiced by increasingly diverse stakeholders” (pp. 65, 66). Noting that trade-offs have “traditionally been assumed to mean compromises between financial and non-financial sustainability elements such as economy and ecology” (Angus-Leppan et al., 2010, p. 231), Angus-Leppan et al. (2010) focus instead on the trade-offs occurring “between the human and ecological sustainability elements or objectives in an organizational context” (p. 230).

While most of these studies address integration of sustainability/CSR commitments on a general or conceptual level, a variety of empirical case studies focused on *specific* trade-offs and dilemmas was also found (e.g. Holt, 2012; Wheeler, Fabig, & Boele, 2002). Focusing mainly on an industry level, Holt and Watson (2008) look at the dilemma between international and local sourcing within the flower industry; Wheeler et al. (2002) review the paradoxes and dilemmas in the extractive sector; while Illge and Preuss (2012) focus on the tensions in the sustainable textile industry. In the latter study, for instance, they discuss “the tensions and trade-offs that result from the efforts of the garment retailers to make the production of cotton garments more sustainable” (p. 103); such as the “fundamental trade-off between focusing ... efforts on the development of fashionable products (good economic performance) and minimising ... environmental impacts as well as safeguarding decent working conditions (good environmental and social performance)” (p. 102).

In a company-specific case study, Kolk (2012) looks at the paradoxes experienced by a multinational company related to sourcing coffee from sustainable sources. Focusing on a small, environmentally focused business instead, Holt (2012) reviews in a longitudinal study the strategic choices faced by an “ecopreneur”, and mentions the tensions related to growth and survival (e.g., between growing and maintaining personal values).

Overall, the main purpose of these studies is to assist business in making choices between conflicting commitments and (stakeholder) interests, and help them balance interrelated responsibilities (Kaptein & Wempe, 2001). They aim to provide practical guidance on how to manage the trade-offs and dilemmas related to CSR implementation in daily decision making, as well as in developing a strategic agenda (Angus-Leppan et al., 2010; Hahn et al., 2010; Maon et al., 2008; Zadek, 1999). Walley & Whitehead (1994, p. 49), for example, argue that managers currently lack “the means for setting priorities or a method for integrating those issues into business decision making”. Similarly,

Winn et al. (2012) write, “Standard management tools simply do not suffice when managing corporate sustainability issues. The complexity and expanded scope of decision-making in the sustainability context requires that managers understand and include a vastly expanded set of societal and environmental considerations” (p. 64).

Therefore, studies offer various approaches and solutions to address this lacuna. For example, several authors offer (or call for) frameworks that assist decision-makers in weighing up their different options and “allow them to turn their good intentions into reality” (e.g. Hahn et al., 2010; M. Reynolds, 2008; Walley & Whitehead, 1994, p. 49). M. Reynolds (2008) suggests a triadic critical systems framework “for helping to frame understanding, practice and responsibility for interventions associated with CSR” (p. 395). In addition, Hahn et al. (2010) propose a “framework for the analysis of trade-offs in corporate sustainability The framework serves as a starting point for a more systematic analysis of trade-offs in corporate sustainability, as it identifies different levels and dimensions to characterize such trade-offs” (p. 217). Future research, they argue, “should develop tools to assess and evaluate trade-off situations in corporate sustainability in order to identify strategies that yield substantial corporate contributions to sustainable development” (p. 226). Other studies do not primarily suggest actual frameworks but offer a certain “approach” or “way of thinking” to make sense of complex situations and difficult decisions. For example, Angus-Leppan et al. (2010) propose a sensemaking approach to gauge stakeholder perceptions of trade-offs and as a way to understand complex relationships between human and ecological elements of sustainability. Others (e.g. Maon et al., 2008; M. Reynolds, 2008; L. White & Lee, 2009) suggest systems thinking and systems thinking-related tools, “to develop ... awareness and intervention skills on CSR issues” that can assist in dealing with complex decision making (Córdoba & Campbell, 2008a, p. 427). As was explored in detail in the last chapter, section 6.5.2, systems thinking is argued to be particularly useful in understanding the interrelationships and interdependencies between various stakeholder perspectives, and, as also explored in the previous chapter, many of these studies specifically apply systems thinking as a way to balance competing interests. Maon et al. (2008) for example, seek to “resolve any dilemmas among the competing interests of stakeholders” by suggesting a conceptual systems-based, double-loop model which serves to clarify the processes involved in the prioritization and integration of CSR issues into a coherent strategic agenda” (p. 413). Lastly, many of the papers that focus on specific case studies (such as Holt, 2012; Illge & Preuss, 2012; Winn et al., 2012) aim to help businesses with decision-making by offering these cases as a learning tool. These case studies prepare business students to “make trade-offs in a way that deliberately evaluates and satisfies the broadened set of economic, social, and environmental

objectives on corporate and societal levels, and ... allows them to reach decisions that take into account both short- and long-term issues” (Winn et al., 2012, p. 64). In addition, through case studies managers and students learn that sustainability issues are generally closely interwoven and that many of times no “silver bullet solution” exists (p. 64).

6.5.2. Limitations of the literature and research contributions

When comparing this literature with the research findings, there is the obvious similarity that both see conflicts, dilemmas and trade-offs not only as a normal part of CSR implementation but also as a part of reality that cannot be avoided. Indeed, as the findings show as well, the literature finds that the different values and commitments of the business are highly interconnected and intertwined, and while there may be moments when all values and commitments are aligned, often no “silver bullet solution” exists.

However, while the literature seeks to make a practical contribution, the majority of this literature remains somewhat conceptual and its practical contribution may therefore be limited.

One of the areas in which the literature remains conceptual and where this PhD research makes a contribution is the insight into specific tensions and dilemmas. The current literature does not provide a comprehensive insight into actual experienced conflicts and compromises of businesses engaged in CSR. While the few tensions mentioned in the literature are indeed similar to those found within the research, they are either discussed on quite a general level (e.g. trade-offs between present and future aspects in sustainability-related corporate behaviour) or, if they *are* practical and specific, only a few conflicts are generally mentioned. This PhD research however, gives a comprehensive insight into actual operational, strategic and philosophical conflicts and compromises experienced by responsible businesses. This is important as this provides a basis from which further explorations into managing or approaching such tensions can commence.

From the literature it is not clear whether this lack of insight into actual challenges arises from the limited number of empirical studies that has been done, or from a lack of *interest* in investigating actual challenges. I mention the latter as there is a sense that some studies *assume* to know the kind of tensions and trade-offs businesses will face.

For example, studies do not investigate whether businesses *actually* view or experience the suggested tensions and trade-offs as problematic, and what these businesses might require assistance with. In relation to the first, this PhD study contributes to the current literature by providing an insight into the participants’ “holistic” perception of their commitments. While in

practical execution conflicts may arise between values/commitments, in their view *all* these values and commitments form a coherent whole that characterises what they are about as a business. The study also shows that participants see conflicts and compromises as a natural part of their reality, rather than a special occurrence. In relation to this point, some authors have criticised the way in which some CSR studies portray the complexity of CSR implementation as “not just another business issue” (Winn et al., 2012, p. 64). Gioia (1999) argues that even in a “traditional” (not specifically values-driven) business “the issue was never whether to choose instrumental *or* moral criteria but, rather, how to arrive at some workable balance between the two (p. 231). Similarly, Norman and MacDonald (2004) have the impression that

3BL [triple bottom line] advocates are working with a caricature that has traditional ... “single-bottom-line” firms ... focussing exclusively on financial data, like *le businessman* ... forever counting “his” stars in Saint-Exupery's *Le Petit prince*. But obviously, even a pure profit-maximiser knows that successful businesses cannot be run like this. (p. 248)

Also, while participants definitely experience challenging situations, the findings did *not* support the suggestion of the literature that *without* the guidance of frameworks “even the most environmentally sensitive CEO will be lost” (Walley & Whitehead, 1994, p. 50). In many situations found within the PhD research, conflicts were not necessarily problematic (e.g., participants simply knew what was right or an answer was otherwise straightforward); and participants were definitely not “lost” all the time (e.g., participants were quite capable of coming up with “solutions”). In fact, the PhD research gives insight into various approaches that businesses use to negotiate conflicts and compromises. For example, depending on the situation, participants may follow a *gut feeling*; *calculate* different consequences or thoughtfully *deliberate* different options.

In addition, the research clarified that the nature of these approaches was often creative, collaborative, and pragmatic. Interestingly, the literature seems to mainly suggest *analytical* frameworks or tools as an approach to manage competing commitments. These frameworks are to assist in the systematic analysis of complex relationships and trade-offs, and emphasise the *systematic* and *rational* deliberation of the consequences of different choices. However, while calculations and systematic analysis are indeed part of the approach to conflicts (e.g., Green Valley Organics calculated the CO₂ output of different options), considerations around which particular action to take do generally not remain limited to a purely rational and systematic study of alternative choices and involves considerations which are intuitive and philosophical in nature (e.g., gut feeling). In addition, creativity as an approach to conflicts and compromises does generally not

involve solely rational considerations.

As such, where current studies focus predominantly on rational approaches to the solving of conflicts, the PhD research gives insight into the importance of non-rational and intuitive elements involved in “managing” conflicts. Where the current literature fails to explore, for example, what may support (or detract from) non-rational, creative approaches, the data suggest that in finding creative solutions people require not only space and time, but also a degree of courage to “play around” and experiment with different alternatives. Further research will however be required into the barriers and enablers of these different (non-)rational approaches. For example, Affinity appeared very open to searching for alternatives and employed a large range of creative solutions to tensions. Further research could investigate the *organisational characteristics* that allow this openness and willingness to experiment.

More importantly, perhaps, is that with this focus on the systemised analysis of different options (through, for example, frameworks), the literature almost singularly focuses on the need for “greater sophistication in evaluating highly complex issues of much enlarged scope and scale” (Winn et al., 2012, p. 63). In other words, studies appear to reduce or simplify the issue of balancing competing values and commitments to a case of “highly complex decision-making”. While, again, the data do not dispute that highly complex decision making is part of the reality of these businesses, and that suggested tools/approaches may be of use when commitments collide, by assuming that this is the *main* problem, other challenges remain underexplored.

In particular, in this approach studies ultimately seem to seek solutions for “the messiness” of implementing various values/commitments, rather than fully staying present to it. While they initially set out to “go beyond efforts to reconcile corporate responses to social misery with the neoclassical model of the firm” (Margolis & Walsh, 2003), a focus on finding frameworks or guideposts for decision-making reflects an underlying desire to perhaps not reconcile the different commitments but at least provide the best answer to situations of conflict.

What this PhD study finds, however, is that there are generally no black and white answers, or perfect solutions. As mentioned in 6.4, this lack of “one best answer” to competing interests and the need to be pragmatic about the different business needs means that juggling various commitments is generally a case of “doing the best you can for the situation you are in”. As is explored in more depth in the next section, this leaves an important question or challenge for businesses: when is the business still honouring its values and commitments in doing things the best they can, and when is it starting to compromise them?

Finally, both in the *understanding* of the conflicts and compromises faced by businesses, as well as in the *approach* to managing these, the literature relies predominantly and too heavily on a stakeholder approach. As explored in the previous chapter, the conflicting commitments facing the sample businesses are not generally caused by, or the sole result of, competing *demands* of stakeholders. While demands of external stakeholders may be involved in a dilemma or conflict, many conflicts arise from the *internal* desire to do the right thing (and therefore address a multitude of issues) rather than from a “threat” of stakeholders. The assumption in certain studies (e.g. Kaptein & Wempe, 2001; Maon et al., 2008) therefore, that creating consensus and agreement between external stakeholder interests is core to “solving” dilemmas or conflicts is incomplete. In fact, the findings suggest that stakeholders like customers, employees or NGOs may not so much *demand* things from the company (e.g., respectively, products and services; appropriate remuneration; and a consideration for certain public interests) but that they have an important role in *supporting* the business in making decisions on tensions. As shown, it is stakeholders such as these that often play an important role in providing different alternatives; not primarily through exerting pressure but by working *with* the business to come to the best (public) solutions.

In conclusion, this PhD research addresses some important lacunae in the current literature. It provides insight into the underlying perspective on competing interests of businesses; their different approaches in dealing with complexity and the importance of non-rational, intuitive elements in decision-making. Perhaps most importantly however, it shows that the challenge of competing values/commitments cannot be equated to a case of highly complex decision-making. In fact, where current studies appear to (try to) reduce the complexity to something manageable by rational means, this study stays present to the “messiness” and imperfection of managing conflicting interests (e.g., “solutions” to conflicting commitments are generally not black and white).

The next section will provide further inside into the “messiness” of balancing the various commitments; not only by referring to less than perfect solutions to conflicts but also by pointing out the “un-straightforwardness” of assessing whether the business is still honouring its values and commitments in its actions.

6.6. This is not utopia: When something has to give

As described in previous sections, there were many situations where businesses were clearly values-driven in their actions; where they, in their creative and pragmatic ways, quite capably (albeit imperfectly) made values-driven decisions on conflicts. However, the data also showed instances where consequences of decisions were grave and where it could be questioned whether the business was doing what it needed to do while still honouring its values-driven nature, or whether it had started to move away from its values-driven core. In this section I explore such instances. I focus on conflicts where there was no obvious solution and something fundamental (to the company's values or commitments) had to give.

To allow for a broad comparison between different businesses, I focus on one particular compromise across all companies; one that involved employee redundancies. I chose this particular compromise since this was most frequently mentioned by participants when the topic of difficult and poignant compromises came up.

In the following reflections I draw on seven instances of redundancies. By addressing these particular companies, I do not imply that they are “better” or “worse” than other sample businesses. Others may have also faced redundancies but the interviews did not provide much information around them. For example, while Three Brothers also made people redundant, the data did not provide sufficient details about this decision and therefore they were not included here.

Table 6.1 provides a brief introduction to each case, focusing on the “why” of the redundancies and, if information was given about this, “how” businesses approached them. That which was literally said by participants is presented here in italics. In the cases of Everest and Aveda Organics, redundancies related to production staff and were the result of outsourcing manufacturing. For The Owlery, redundancies were the result of the company's liquidation. The other redundancies were “direct” cost-cutting measures.

Table 6.1: Cases

Business	Details of compromise
Nature Foods	<p><i>"We had three or four redundancies earlier this year when the financial crisis was starting to impact. We had to rethink our whole cost base ... and what sort of world we are coming in to ... so there were some people that got made redundant".</i></p> <p><i>They "made it as comfortable as we could in terms of his package etc. And we were quite generous". He reflected, "It is difficult. It is never, never easy, particularly when one of those people was a long-time supporter, shareholder of the company". Some of those made redundant still remained supporters. For example, one person "came along to a general meeting and spoke in glowing terms of the business". But, he also added, "It does not always happen that way; that is facing up to the commercial reality".</i></p>
Affinity	<p><i>When the economic crash impacted the luxury goods market in the UK, Affinity was in financial trouble. Kay said, "We had to reduce expenses drastically in order to maintain any level of competitiveness and have any hope of coming out in the black at the end of the year". This "included some voluntary and involuntary severances ... It was about 5% of our workforce".</i></p> <p><i>"We did it in probably the most caring way possible we even had somebody who said ... that he couldn't imagine a better way to be let go". "We gave very generous severances, we gave outplacement, provided counselling, gave them volunteer ideas in case they had extra time We made sure that they had somebody to help them gather their things and take their own time ... just little touches like that".</i></p> <p><i>"So that's kind of an extreme example ... that was really hard but you know what, in those real tough when-push-comes-to-shove moments unfortunately ... the business of the business takes over, it tends to take over. It's just too bad".</i></p>
Aveda Organics	<p><i>In the past year, things go financially hard for Aveda, "We had all this overhead; we decided to basically save money and outsource everything". So "we used to be like 50 employees and now we are back down to 14". He said, "It was extremely hard but they all understood. I mean, it was like the same time the economy was crashing, there were a lot of layoffs everywhere".</i></p> <p><i>"I felt bad letting people go but ... I'm here for the vision of the company and I will always treat the employees with utmost respect and ... give them what they need and make sure they're being taken care off, but at the end of the day you can't keep employees on just because you feel bad for letting them go, that's not the point of business So you have to really think about it; it's like, you either let them go now or let them go when the company goes bankrupt, you know?".</i></p>
Everest	<p><i>Increased competition combined with the crash of the outdoor industry after September 11, created a big financial crisis for Everest and their business sales "dropped by 30% overnight, and then it dropped again the next year. We had retailers going broke; some of our competitors went out of business". "In the end, there was a limit to what we could do" and they decided "to close our factory and go offshore, otherwise we would have gone out of business. Join the crowd to some extent". While he had wanted "to retain the employment of our staff in The Netherlands ... when it became clear that that was not going to happen, manufacturing offshore was pretty much the logical thing to do, much better than closing down".</i></p>

Chalmers	<p>While Adam²⁸ tried to find a balance between developing employees and making a profit, he spent too much time on the personal development side and moved away from other important business aspects. He <i>“sacrificed quite a lot for what I thought was right”</i>. Also, about half of the employees were not buying into the <i>“development side of things”</i>, which led to a lot of conflict. When he was dealing with conflict, he was not dealing with other elements of the business. He let the financial side of things get so bad; he had to sell his home. The current state of the economy had also influenced the company’s financial wellbeing: increased taxes, it being harder to borrow money, the problems with the banking system. He said, <i>“That is counterproductive to having a margin and money to invest in people”</i>.</p> <p>He basically got rid of a lot of people and overhead. There was a profitable core to the business and he has been working on rebuilding that. In the last 5 or 6 years he has only added people in those business areas where the financial model is working; he has not done any employee-development work, nor has he actively promoted the values other than by his own behaviour.</p>
The Owlery	<p>In February 2013, Pippa²⁹ had to liquidate The Owlery. They had never been financially strong and never really gained sales momentum. Always just surviving in a way. In the last 6 months before liquidation, it seemed that people just stopped spending. It was quite sudden.</p> <p>When the seriousness of the situation became clear, they did not really have time to restructure and also, that would have required a big capital investment and if anyone would have looked at the books, they would have questioned why they should invest. One problem was <i>“that our margin was quite low”</i>. Their commitment to fair-trade, Dutch-made and eco-materials meant that their fabrics were quite expensive. However, neither option of going <i>“offshore or to change our fabrics ... really suited our values”</i>. And, realistically, if they had wanted to take production offshore, they should have started the process years ago.</p>
Brougham Group	<p>Five years ago Oliver joined as the new CEO/Group Managing Director. When he came in <i>“this company was [makes crashing like sound] teetering. Fairly, not doing well at all We had a deficit of 15 million dollars the bank would have come in and taken us. We were ... skating on really thin ice”</i>.</p> <p>They had been lacking in terms of innovation, had been carrying too many people and <i>“we were ... paying ourselves too much; we had a nice pension fund, we had a very nice sickness policy, early retirement policies”</i>. Some expensive acquisitions, which left Brougham Group cash-poor, as well as a more challenging marketplace, due to the recession and competition finally catching up, meant that the company had to become more streamlined. They <i>“had to get rid of a lot of people, which in the old days we did not do much of”</i> and many of the employee-related benefits, such as the pension fund, had to be curtailed or cancelled. <i>“My job is not to hide and keep my head down and hope we survive. It is to try and make us profitable and [among other things] make sure that anyone who has money in the fund will get a fair share out of it”</i>.</p>

²⁸ As mentioned previously, Adam did not want the interview to be recorded. Therefore I made notes during the interview. The words chosen in this case were, as much as possible, based on actual words used in the interview.

²⁹ During the interview about The Owlery’s closure, the recorder broke down. As in the case of Chalmers, I made notes instead and the words chosen were, as much as possible, based on actual words used in the interview.

It is important to note that the data indicated that in particular the decision to go public also held some significant compromises that may challenge the values-driven nature of the business. However, within this study, data that spoke to this were too limited to draw conclusions from. Only three businesses in the sample are public entities and for only one going public was a relatively recent decision, which meant that only the interview with the latter provided insights into the compromises involved. While this particular interview alluded to compromises made in relation to employee-related practices; donations to charities; and also the strength of their environmental messages to the public, this participant was quite reluctant for these compromises to become public. In short, while this is an important area of study, given the limited data that can be reflected and reported on, this is not addressed here.

As a final note to this introduction, in the situations discussed here, there was at times a lack of alignment between what participants told me about their compromises and how it had affected the business, and what I perceived to be true. This posed the following challenge. On the one hand my responsibility as a researcher is to honour the data and let findings emerge from the data. By overriding participants' observations, I put myself into a position of "knowing better", a position I was not fully comfortable with since my interpretations might be flawed. In addition, the interview data are limited. What I may have received in two or three hours of interview does not reflect the whole story; I did not have the full details of what was taken into account when these compromises were made, nor did I know the precise situation they were in at the time. However, *not* adding my own interpretation here would have meant accepting a level of naivety and some possibly important findings would have remained unmentioned.

In section 6.6.1 I give a reflection on the redundancy cases; 6.6.2 looks at the theoretical implications of these findings and 6.6.3 discusses the practical implications.

6.6.1. Reflection on the redundancy cases

In this section I reflect on the redundancy cases introduced above. I concentrate on *how* participants talked about these compromises, rather than making a judgement on whether making people redundant was the "best" decision to make.

Since each case has its own specific circumstances and characteristics, and since a degree of interpretation is involved, it is not possible to draw any firm conclusions, but the following observations can be made.

One, the cases demonstrate that these values-driven businesses are generally quite vulnerable in an economic downturn or when demand lags, because their profit margins tend to be lower than “traditional” businesses. As the descriptions in Table 5.1 show as well, there is no doubt that the adherence to certain values contributes to higher costs and as such impacts the financial performance of the business. As, for instance, Jeremy (Aveda) said,

Last year, we definitely took a huge financial hit from the down economy I can't say that any of the social and environmental things we are doing played a role in that but a lot the decisions that we make day-to-day ... just everything from recycled content and boxes, inks we use, etcetera, added to the debt we are in, there is no way around it.

Similarly, Mark (Everest) explained,

Competitors came in and bought market share. They made the product more cheaply and were able to give our retailers a much bigger margin ... to which retailers said, I would rather sell the product that gives me more money. That is when it starts to get hard, business getting harder. There was a definitive incongruence, I suppose, between our vision and values internally and the outside world.

Since some businesses also reported increased resilience due to their values in an economic downturn (e.g., as Whitcoulls Bank only invests in “responsible/sustainable” businesses, they fared much better than other banks when the banking crisis hit), it would be incorrect to say that values-driven businesses are always more vulnerable than “normal” business. However, it was clear from participants’ comments that, financially, running a values-driven business is challenging.

Two, the cases suggest that there is a very fine line between being pragmatic and doing what needs to be done for the continued existence of the business, and “being realistic” becoming a justification for, or rationalisation of, (subtly) moving away from the values. While it was clear that all participants cared for the employees and struggled with having to make people redundant; some businesses seemed to stay close to their envisaged values, while others seemed to have lost something about their aspirations. A comparison of the different cases illustrates this.

It was reflected in participants' acknowledgment of the undesirable consequences of the compromise, such as the doubt and pain that it had created within the company, and in the desire to get "back to normal" and "re-claim" that what was sacrificed.

For instance, the understanding within Affinity seemed to be that while the compromise was necessary, it was really not okay; they had moved away from employee values and that was not what the company is about. There was a clear acknowledgement that the decision was both damaging to the employees and to the carefully nurtured culture: "There was a lot of doubt ... among ... employees It took months and months of, I would say 'distrust'. Did the company really have everyone's best interest at heart?". Kay appeared present to that which was "harmed" or "jeopardised". That they did not consider this as desirable was also reflected in their efforts of getting things back to normal as soon as they could; for example by bringing back the cancelled employee benefits: "everything's back to normal now; it was very rare for us to have to kind of move off 'Culture' a bit". It appeared that Affinity did what needed to be done without necessarily moving away from their values.

Several other cases, on the other hand, showed how businesses either "*toughened-up*" about the non-commercial values or "*bended*" the values to fit the compromise made.

"Toughening-up" is illustrated by Nature Foods' case. While like Kay, Tim sees the redundancies as unfortunate; unlike Kay, he did not see it as a situation that required rectification and, within the context of having to "face up to reality", accepts it as "standard business" (Nature Foods). When an ex-employee suggested that the company had "lost its soul" (Nature Foods) with the redundancies, he said,

It's all about perceptions. To him it has lost something, but for people coming in, Nature Foods has ... evolved and now has gained something. I think, that is life, those things happen, this is not Japan where you take a person on ... for life. We have got to face up to those realities.

He added, "I am feeling very sympathetic to how they are feeling ... At the same time taking the bigger perspective and I guess that is the way I rationalise that situation". He concluded, "This is not utopia. It never has been! We are just trying to spread a little love around really Nature Foods is an interesting example on some levels and pretty ordinary on others; that is how it is". Given the commercial reality facing them, they "had to" become more realistic about the values and commitments, and he appeared to be okay with that. A similar "getting real about the values"

approach was clear in the case of “streamlining” and financial consolidation at Brougham Group. Guided by a desire to create a new kind of business and focused on the elimination of social injustice, founder Henry Muller created a company guided by a set of ethical, social and charitable values. While MD Oliver supports these values and sees them as “absolutely correct”, he is “not necessarily totally on the same wavelength” as the founder, or Henry’s successor, Jack, and considers some of the commitments as “a little over the top” and not fully realistic in terms of today’s reality. “We have to watch [out for] the utopic view of everything is nice because we are employee-owned, we are all committed ... and it works for many ways for sure”, but “we were too nice, too soft, too friendly, too cuddly”. Within Oliver’s perception the compromises made were acceptable; Brougham Group had to become realistic about its aspirations.

We try to make sure that we do the right thing but we have to make sure we have got that sharp focus on the business. My predecessor was very much into people and social but actually had taken his eye off of business It is very, very dangerous for this kind of company because you feel you want to do good ... but you can’t do it all.

While the redundancies themselves may not have been unwise as such, unlike Affinity, there seems to be no intention to go “back to normal” for these latter cases. The consequences of these compromises for employees, for example, seem to be “brushed off” a little rather than fully acknowledged, and alternatives to the compromise (or ways to mitigate it) are not really pursued. Instead, the decision (compromise) is part of moving forward. There is a sense that similar compromises may be made in the future, in perhaps other areas in which the values now apply, and that this is the new reality.

What is interesting to note is that in cases like Brougham Group and Nature Foods, there is a willingness to accept the “commercial reality” as the new reality, despite the fact that these businesses were originally formed around the idea that *despite* the commercial reality as it was, they would do things differently. For instance, it seemed to me that in Tim’s (Nature Foods) acceptance of “standard”, commercially accepted compromises (“people here, that have had more corporate experience than me, assure me that these things are quite normal”), he no longer challenges the status quo of that commercial reality, something he used to do fervently in earlier times. In a way, he no longer seems to have the same openness to consider a different business reality. As a further observation here, the tone of both Tim and Oliver indicated that in their perception those who think that hardening up around the values and commitments would not be necessary, are a little naïve. This, for example, became clear in Oliver’s reflections towards the founding family’s ideals but also

in the way Tim went to great lengths to explain why certain things are simply not possible anymore, and made comments such as “can you see what I mean?”. At times I wondered whether he tried to “convince” me or himself with these explanations.

Similarly, in other cases, the values were *bended* slightly so that the compromise fell within the stated values and commitments. In the case of Aveda, for instance, and to some extent Everest, the explanations implied that the compromise did *not* contradict the values. While Jeremy’s statements around, “I would not want to be doing it anymore if I had to compromise my values” seemed in contradiction with his decision to outsource, within the interviews he gave no indication or acknowledgement of this deviation. Similarly, Mark said, “Our decision didn’t compromise the values; we didn’t have a value ‘to manufacture in The Netherlands’. Or ... I think we did actually, but we said we’d manufacture in The Netherlands wherever possible”. It was not always clear whether the participants simply did not want to talk about such misalignments; were not willing to admit to themselves that something fundamental had been compromised; or really did not believe they had compromised the values. In these “bending” cases, similar to the “toughening up” cases, participants did not perceive that anything had to “get back to normal”. Similarly, in situations where participants do not really see themselves as deviating from their values (e.g. Aveda or Nature Foods), there is also no incentive to explore alternative ways of doing things. As such, whether participants toughened up around the values or bended them, the willingness or openness to question traditional ways of business seemed diminished or inhibited.

An important question is here, if the line between *still* honouring the values or slowly moving away from them is fine, how do businesses themselves stay alert to this? The above suggests that it requires that businesses stay present to the consequences of their compromises; and are very clear and honest about when they are perhaps “failing” the values and commitments.

In addition, from the cases it appeared that those companies that listened to stakeholders were also the companies that remained more present with their envisaged values. For example, Affinity and Everest not only involved employees in making the decisions on the compromise but also “heard” their pain about it. In the cases of Aveda Organics and Nature Foods, however, participants appeared to have distanced themselves a little more from others; they did not actively involve employees in decision-making; and were somewhat dismissive of comments that the culture (Aveda Organics) or the soul (Nature Foods) had changed (saw it as a “difference in perspective”). It was also businesses like Everest and Affinity that *explicitly* acknowledged the important role of employees in keeping the company aligned with its aspirations.

If the culture started shifting too drastically, people will cry out about it. It's already happened at least once when we've grown a lot People notice, we lose a little bit of something We work really, really hard at keep getting it right but ... oftentimes we don't get it right, and people tell us I don't think people ... would let the company get off track too much.

As addressed in Chapter 4, participants (e.g., Whitcoulls Bank) made similar comments about the importance of *external* stakeholders, such as customers or NGOs, in alerting the company when it is moving away from its aspirations. As discussed in Chapter 4 as well, in staying on track it is not only the responsibility of business to remain open to others, but also the responsibility of stakeholders to stay alert to the company's actions and give feedback.

As a final note to this second observation, "judging" these businesses from "the outside" is not easy. Obviously, these cases represent a moment in time, and it may, or may not, indicate a more permanent move away from the values-driven core. Therefore, to draw conclusions based on one compromise may not be useful or accurate. At the same time, when the honesty about what is compromised and the thoughtfulness about what the business sought to create, is continually inhibited; businesses may be moving away from claimed aspirations on a more permanent basis. When reflecting on the cases and other interview data, it seems that Affinity, by staying present to the business reality they seek to create, as well as where they fell short of these aspirations, slowly chips away at fulfilling this. On the other hand, in their choices and acceptance of the commercial reality, Brougham Group and Nature Foods seem to move to the opposite side, towards becoming a relatively "normal" for-profit. Chalmers, in having given up on the employee-related values, is now acting in many ways as a traditional for-profit as well. With Aveda Organics it seems that it could go both ways. With this being such a young company, it appears that Jeremy is feeling "his way around" and is still learning about what is, and what is not, core to the values of Aveda Organics.

A third observation: At the same time, the cases also suggest that business can perhaps hold on to its non-commercial values and commitments for too long or too strongly. As Adam (Chalmers) indicated, his passion for employee development meant that he failed to give proper attention to "other important business aspects, such as how many orders a salesperson writes". In particular in the cases of Chalmers, Brougham Group and The Owlery it can be questioned whether, if they had been more flexible with the non-commercial values and willing to make compromises, they would be in a different, more values-driven place right now. For instance, Pippa said, "With my banker hat on

going offshore to manufacture would have made sense, because I can't deny that because of our values and our dedication to stick to them ... may have had a hand in our closure" (The Owlery). While she sought to do "the right thing" by "sticking to the values", the liquidation of the company now means that not only did all staff lose their employment but also that suppliers were impacted negatively.

This is the most horrible place I have been. We championed them, sought to help them and then to realise, now my business is not helping them at all! We are a pain in the butt for them, and there are people who won't get paid and they need the money It is very humbling.

Similarly, while it seems that with the streamlining measures of MD Oliver, Brougham Group is taking a turn towards a "normal" commercial business, it can be questioned whether, if they had been a bit less generous in relation to employees earlier on, these fundamental compromises would have been necessary. As Oliver said, "We were ... paying ourselves too much, we had a nice pension fund, a very nice sickness policy, early retirement policies; it was Brougham Group looking after their employees". Perhaps, if someone had stepped in earlier and made a few commercially sensitive decisions, the business would be closer to its values-driven aspirations now.

Obviously, these decisions are not clear-cut. For instance, while it can be argued that The Owlery "failed" by sticking to its values, it was also the commitment to the values (to e.g., locally-made fabric) that created a particular "contribution to the community and to the country's economy" (The Owlery). As Pippa said,

It was a business that was 20 years old ... so ... what we paid in tax ... is 14.4 million in total So is that not sustainable? The biggest compliment I had was about how we encouraged people to grow, to care, attain social skills, learn about sustainability in the The Owlery environment [Over the years] that would be 100 women who would have gone out in the community with what they took away from working at The Owlery.

While, again, it is not possible to draw any firm conclusions about what would have been "best"; these cases do show that it is important for business to remain very clear and honest about what the reality is of the values they adopt, as well as the consequences of sticking to them (e.g., continuing a commitment to eco-fabrics when the financial position is weak). While, as per previous observation, it is undesirable for the business to hide from its compromises to the values, neither is it desirable to

doggedly stick to them and simply “keep my head down and hope we survive” (Brougham Group). In relation to this observation, it may be important for business to draw in some commercial/financial skills earlier on in its development, if it lacks in this area.

It is interesting to note in this respect that many businesses (e.g. Green Valley Organics, Aveda Organics, Everest, Chalmers, Nature Foods and Einstein’s Cycles) did hire a CEO or Managing Director with “commercial skills” at some point in time, but who tended to be not as, as one participant put it, “synced up with things philosophically”. Such external people were generally recruited when the company was growing and the founder/owner felt that the company needed formalisation or proceduralisation (e.g. financial modelling, reviewing systems and structures) for which they themselves did not possess the necessary skills. While many appreciated the work that they had done in terms of bringing the company to “the next level”, this had often come at a cost of the non-commercial values or commitments of the business. As one participant said diplomatically, “We didn’t quite, sort of maximised our opportunities based on what we really, really believed in the company”.

In addition, for many this had been a *mutually* frustrating experience and in most cases these CEOs or MDs were no longer employed at the time of the interviews. This indicates that drawing in commercial business skills and finding suitable people for senior management positions may be a key challenge of growing a values-driven business and would do well with further investigation.

Finally, the cases show that being values-driven and being constantly confronted with conflicts and tensions, is a struggle and that this struggle comes at a personal cost.

This was particularly clear in the cases of Everest, Chalmers and The Owlery; and participants explicitly referred to this struggle. They described the struggle of dealing with others with a different values-set; the struggle of playing the commercial game even though it does not feel right; the struggle of wanting to do “the right thing” but constantly lacking resources; the struggle of finding an alternative that is aligned with the values; or, as Adam described, “It is such a struggle just to exist” (Chalmers). Pippa (The Owlery) said,

The joys were always about training people, helping them reach their highest potential. But with the way the economy was going it was becoming such a squeeze. You can’t employ as many people, so you have to do more yourself but also you can’t offer employees as much, can’t pay people enough. It just became too hard to sustain it. We were definitely getting tired.

The data suggested that participants were becoming weary and some felt there were limitations to what is possible within business or a commercial environment in general. This played a role in Mark selling Everest; not only had business gotten challenging financially, but he also felt that his interest and love for the people side of things could not be developed to the degree he wanted within a business context. Instead, he started a school built on the premise of empowering children to make their own judgements and participate in all decision-making. Adam from Chalmers explained that he no longer had the energy for training and developing people internally, and questioned, similar to Mark, whether business is the best place to have a deeper purpose of people development. He also sought to sell his business. While all still deeply cared about the values, faced with competition, disappointment or adversity, some simply did not want to do it anymore.

In addition, when participants became worn down, they seemed to lose a sense of connection with others and their experience became more along the lines of “us versus them”. The impression was that this some inflexibility and defensiveness within them, which inhibited openness to new or creative alternatives.

6.6.2. Theoretical implications

As mentioned in the first half of this chapter, for a comprehensive understanding of CSR implementation and its challenges scholars need to extend their focus beyond the development of approaches or frameworks that assist in “complex” decision making. As the observations show, the most important challenge in CSR implementation may not, as the literature suggests, relate to making a choice between conflicting commitments and managing different trade-offs (Kaptein & Wempe, 2001) as such, but to remaining *present* to the adopted values and commitments at all times and remaining *alert* and *honest* when the business starts to deviate from them. This is more in line with Sharp and Zaidman (2010)’s observation that “current research analyses how an organization assimilates a [CSR] strategy, while there may be room for future studies to examine how an organization retreats from such a strategy” (p. 64). What the observations show is that businesses sometimes lack the clarity or honesty when, in their decisions, they (start to) compromise the values/commitments *or* their financial wellbeing. For future research it is therefore important to explore in which situations, or under which conditions, businesses are more likely to lose sight of either of these. For instance, if certain situations (e.g., going public; the business under financial duress; extreme growth) are identified in which the values become more easily compromised, this may enable business to anticipate, or be more alert to, such moments.

Similarly, future research may want to investigate what assists business in holding all that is important in view at all times. For instance, as the findings suggest, employees can play an important role in alerting business of deviations; How could such a role be supported? An important implication here is that studies should not just focus on management level alone but broaden their perspective to organisational members in general. There may also be certain organisational structures or decision-making processes that support holding it all in view. For instance, as mentioned in Chapter 3, to ensure that the cultural values (e.g., those related to employees and participation) as well as the financial needs are always honoured in decision-making, Affinity has a three-headed leadership team that includes a CFO (“guarding” the financial wellbeing) as well as someone responsible for “guarding” the cultural values.

In addition, while it may be important to bring in external others who can help the business with either its continued values focus (e.g., Landrijs Insurance brought in a former priest as a business ethicist, whose job it was to “guard” the focus on values), or its commercial focus (e.g., bringing in an MD with commercial experience), as discussed above, further research is required into what the main challenges are in doing this and whether they can be mitigated in some way.

It may also be important for research to investigate what aids honesty about where the businesses compromises and what helps business to see and sit with negative consequences of their decisions.

Another important area of research relates to what may support business owners to keep going *despite* the struggle. As mentioned, being values-driven is hard, and it is easy to lose the heart and energy to continuously explore alternative ways of doing business. I had the impression that some participants would have benefitted from support from others, or from a sense that they were not alone in the struggles they were facing. Further research could investigate what the early signs of “losing heart” may be; or what type of support is most appropriate (e.g. business-focused; emotional support). Finally, it is of interest to create insight into whether there are certain stages in the business’ development in which exhaustion and a desire “to throw it all in” becomes more prevalent.

However, as much as values-driven businesses may be served by the research suggested above, the continuous struggle that they face in integrating their values and commitments is not simply a case of them “not doing it right”. Their struggle cannot be seen in isolation from the context in which they find themselves.

A neo-liberal environment that values short-term capital; dis-engaged shareholders focused on monetary gain; politicians pursuing popularity and gain rather than public wellbeing; education that

fails to prepare employees to take responsibility, or, as some participants suggested, fails to encourage self-reflection and self-reliance; consumers who value trendiness over longevity; the focus of business on competition rather than collaboration; the global race to the bottom; within such a context these businesses will inevitably struggle. This context needs to change. Again, as discussed in Chapter 4, corporate responsibility is *not* just a business issue and scholars need to remind themselves of the fact that the responsibility for the “success” of values-driven businesses, of both their continued survival as well as in fulfilling their social and environmental aspirations, does not lie with the business alone; it *cannot* lie with business alone. Their struggles are not their problem alone; they result from the values promoted in the media, in commerce, in government, in education. While the tension between “ethical” or social commitments, and the (neo-liberal) business environment is acknowledged within some of the CSR and business ethics literature (e.g. Campbell, 2007; Nilakant & Lips-Wiersma, 2012; Stansbury & Barry, 2007), CSR studies that acknowledge and address this tension on a practical level remain limited.

While many of these issues are far-reaching and require fundamental change, CSR research can contribute to positive change by focusing on how different groups and institutions in society, such as government, or education, can work together with values-driven business towards creating social and/or environmental value. In this pursuit, collaborations with scholars from other fields, such as education, politics or public policy would be valuable. For instance, collaborative research involving those in politics, public policy and CSR could investigate what changes may be needed in public policy, governmental support and business regulations, so it is better attuned to the specific demands and challenges of values-driven business. The question here could be: What can be changed on a governmental level that will assist values-driven business to succeed? Similar questions can be asked, addressing different fields within society (e.g., education) and involving other scholars. In addition, it is suggested that researchers involve values-driven businesses so that studies address that what is truly needed, rather than rely on assumptions.

6.6.3. Practical implications

Since struggle is inevitable and significant compromises will most likely be required at some point, the question for business is, how do we face up to this reality? Rather than holding on to the idea that they will never compromise their values, they can actively anticipate such situations and make plans for what they will do. For instance, by having open dialogues internally about different scenarios of where compromises may be likely, they can start to think about what may mitigate such compromises (e.g., if our demand suddenly declines, what will we do? If we have to compromise our employee benefits, how can we ensure employees still know that we care? If we want to grow, what

commitment may come under pressure?). It will be much easier to reflect on creative solutions or creative mitigation now, then when the business is in the middle of a crisis.

This kind of dialogue may be aided by a tool such as the Holistic Responsibility Framework (HRF) introduced in section 6.2.3. While the HRF would require further development to serve this purpose, a framework that outlines potential conflicts and compromises not only helps to “normalise” the fact that compromises are inevitable, but also allows for a “systematic” review of potential “risk” areas. As for example Steven said,

I think it's a very good tool for a company ... to look at themselves in the mirror. So from my point of view it's ... just to make sure that we are on the right track. For other companies it may be to prove that they are on the wrong track and to make them reflect on what needs doing This is the sort of thing that would be a useful tool for either a CEO, or a corporate ethicist, or someone who is looking at just making sure that the compass is pointing in the right direction. (Landrijk Insurance)

Similarly, Rob said, “Such a tool would definitely help to track down dilemmas ... to name and ‘classify’ them The aim does not have to be to solve them ... but to let them exist” (Whitcoulls Bank).

In addition, values-driven businesses may be served by having dialogues with like-minded business about when and where *they* struggled most, and how they dealt with such situations.

Through such dialogues the business not only prepares itself but by doing this collectively, with internal and external stakeholders, they can alert organisational members and those external to the business to the possibility that, “hey, we may not always get it right; and if not, can you let us know”.

6.7. Limitations of study

Both in terms of unearthing conflicts and compromises, as well as uncovering businesses’ approach in dealing with them, this study relied on the “hindsight” of participants. This, as was alluded to earlier, has the obvious limitation that details of conflicts may have gotten lost, and participants can no longer recall how they dealt with them. For further research into this topic, an ethnographic study (with perhaps an action research element to explore different approaches to dealing with conflicts) would be of value. In addition, since this was not a longitudinal study, I could not track businesses over time and did not gain direct insight into whether and how the business’ relationship

to its core values developed over a longer period of time.

6.8. Conclusion: Between utopia and reality

In trying to fulfil their higher aspirations, values-driven businesses are faced with a daily reality that is full of conflicts between the various values and commitment. While they are quite capable of gracefully navigating these conflicts in creative and pragmatic ways, there are other instances where the implementation of conflicting commitments becomes a struggle and something has to give. In these latter situations, compromises may be grave and if these compromises are not stayed present to, the business may, over time, subtly retreat from its envisaged values and commitments. However, this chapter also suggests that sticking to one's values too long or too strongly, and not properly attending to its commercial side, may also move the company away from its aspirations. For a comprehensive understanding of CSR implementation and its challenges, it is suggested that scholars need to extend their focus beyond the development of frameworks that assist in "complex decision making", and attend to questions of what may aid, and detract from, the business in holding all that is important to the business in view at all time. In addition, to investigate what may assist businesses to face up to the reality that they will most likely encounter significant compromises and how to plan for this. Finally, given that these businesses find themselves in a context which, in many ways, does not support and often works against the values and aspirations these businesses pursue, their struggle is inevitable. Therefore, scholars need to remind themselves of the fact that the responsibility for the "success" of values-driven businesses does not lie with the business alone, it *cannot* lie with business alone. Research needs to focus on what others in society, in government, in education, etcetera, can contribute or change as well. It is suggested therefore that CSR scholars extend their focus beyond business alone, and, in a collaborative effort with scholars from other fields, investigate what changes in these areas could support values-driven business and, with that, the common good.

Chapter Seven: An existential perspective: Embracing both the beauty and struggle of values-driven business

It's no different from me trying to figure out how to be graceful in the world, so does the organisation has to figure out how to be graceful in the world. (Einstein's Cycles)

Business was simply a name that the world understood. All that went on the inside of the business was living life to the full, creating and feeling like you are doing a good thing. (The Owlery)

7.1. Introduction: The challenge of maintaining the richness of the findings

The research sought to give insight into a different, more responsible way of being in business. As described, the rationale behind looking at *exemplary* values-driven businesses was that they would inspire an understanding of corporate responsibility that is not merely an act of compliance or an add-on to business-as-usual, but which honours and enhances social and environmental wellbeing. The previous chapters painted a picture of the rich “responsible” reality of the sample businesses: their human-centred approach to employees and the internal environment; their openness to engage with external others and work together for the common good; the ongoing, emergent and evolutionary nature of CSR implementation; as well as the conflicts and inevitable compromises they face in bringing all their values and commitments into reality. The chapters showed the beauty of values-driven businesses, their generosity and their commitment, as well as the ongoing struggle of this journey, the mistakes and the challenges. It also showed the “messy”, unsystematic, non-linear nature of CSR and the intuitive, non-rational elements of CSR implementation.

Both participant’ comments, as well as the reviews of the CSR literature, however, raised concerns around how the richness of these findings may “survive” when translated into actual business practices and theoretical concepts. As is explored in more detail below, there is a risk that essential elements of what CSR means and involves for these values-driven businesses may get lost within the dominant perspectives and language of both academic CSR research and the business practice. In this chapter I address this concern. I take a step back from the findings and focus on the following question: How can the research findings inform a theoretical conceptualisation and practical understanding of “corporate responsibility” that reflect the richness and depth of the findings?

In section 7.2, I first reflect on what may get lost about the research findings within the currently dominant perspectives in CSR theory (and practice); and in section 7.3 existentialism is introduced as

an alternative perspective. In 7.4 I review the findings in relation to three existential themes and discuss the theoretical implications. In 7.5 I explore the practical implications of bringing an existential understanding to the business practice. The chapter concludes with section 7.6.

7.2. A reflection on what gets lost: Limitations of the current business perspective

In this section I reflect on what may get lost about the findings and why within the currently dominant perspective on business. While participants mentioned how the currently dominant perspectives within the business *practice* limits embracing the full reality of values-driven business, I concentrate here mainly on how the currently dominant perspectives in CSR *theory* may edit out some essential elements of the findings.

The concern of how the research findings would “survive” arose directly from participants’ comments but also from the literature reviews of the previous findings chapters. In relation to the first, participants pointed towards different elements that cannot exist or cannot be discussed within business. Marianne (Mulberry Grove) said for instance,

I do not think gut feeling is acknowledged in business and people are trying to systemise gut feeling. And if you are going to write this up, how do you write, best practice is gut feeling? And because people cannot measure it and they can’t describe it and they can’t produce it, it is of no account. It does not exist.

Similarly, Alex from Pure reflected,

The dominant way in business is this idea of “knowing because you have data”; you have evidence, that kind of thing, like rational knowing. But then there is also the other ... irrational knowing. It is interesting because I have a big rant about “not knowing”, which is part of mindfulness and meditation Part of wisdom is knowing what you don’t know. And yet, in business and society generally, we are trained to either know or convince people we know. It is often a sign of weakness to *not* know and to consider the questions more than the answers.

Pippa (The Owlery) and Tom (Einstein's Cycles) referred to that which cannot be discussed within business,

We are not allowed to [bring the spiritual into business] and I think that is why Anita Roddick has been so amazing as a mentor for me because one of her big things was bringing up the word "soul" in business meetings; all the suits absolutely freaking out. So I guess for me a spiritual level is completely part of my make-up and I don't have a life without that being.

Tom said,

This is the kind of conversation that you wouldn't have in business school ... what are the ends of things? There should be a teleology of business, just like in church when we talk about what is the teleology of creation We need to be able in business to have a conversation about the usefulness of life, what we do with our power? What do we make? What are we building? What are we doing in the world? And what is our spirit, what is our imagination? Many companies don't have that ... contemplative and a theologian [perspective]: what is the human experience, they are not telling very deep stories about the human experience.

The elements these participants point towards are not trivial details but relevant, even fundamental elements of their business reality. They relate to how they "know" and make decisions; to the fundamental questions they ask in their business; how they make sense of their purpose and existence; what they see as wisdom; or how they see the relationship between business and life in general. Interestingly, it was also the participants' perception of what "could be" discussed in the context of an academic business inquiry that influenced what they shared within the interviews. For instance, when I asked Pippa, within the context of our discussion, "Does that mean you also feel guided in a way? Is there a spiritual aspect to making these complex decisions?", she answered,

Mmm, this is interesting, because you are taking me somewhere that a "normal" business interview would not go and so it is not something I tend to talk about. It is interesting because what you are asking is something that is not acknowledged or recognised and therefore never really talked about. But to answer that, yes I do. Sometimes I lose the faith, but there is a definite acknowledgement that you are trusting the path that you are on. (The Owlery)

While through both direct questions and “casual” comments I sought to normalise these other (e.g., non-rational, spiritual or heart-related) elements of business, some participants may still have censored what they shared. For instance, while one participant had made some general comments that there was a spiritual element to the business within the interviews, I later heard through a friend that this participant had passionately spoken, at a conference about religion, about trusting in the guidance of God in making decisions for the business and in dealing with “not knowing”. Again, while this was obviously a key element to the “why” and “how” of the business, this participant had most likely not felt comfortable sharing the importance of God within the context of an academic interview about business.

However, the concern that certain key elements of values-driven business may get lost, also arose from the CSR-related literature reviews that I did for each of the findings chapters. These reviews indicated that there are two main characteristics of current research that inhibit a full and rich description of the sample businesses’ experiences: the dominance of an economic perspective on business, and the dominance of a rationalised approach to corporate responsibility. I explore these claims below and illustrate them by referring back to these earlier literature reviews. As a reminder, a summary of the main findings and the reviewed literature for each findings chapter, as well as what remained unexplained within the literature, is found in Appendix 20.

The dominance of an economic approach to CSR, and the importance of a new paradigm or perspective, has been acknowledged by several scholars (Garriga & Melé, 2004; Margolis & Walsh, 2003; Pirson & Lawrence, 2010; Andreas Georg Scherer & Palazzo, 2007; Vogel, 2006). The economic approach fits into the economic theory of the firm and is based on the premise that companies have (or want) to maximise profits; that managers have fiduciary responsibilities to shareholders; and that social/environmental responsibility may only be assumed if it advances the long term value of the business (Ferraro, Pfeffer, & Sutton, 2005; A. G. Scherer & Palazzo, 2011). While these assumptions often remain unquestioned and implicit, this view has led the majority of CSR studies to develop a limited, “instrumentalist view of CSR ... while searching for the ‘business case’ of CSR” (A. G. Scherer & Palazzo, 2011, p. 904). This tendency is illustrated by the employee-related CSR studies reviewed within the context of Chapter 3. While studies may start from an understanding that employees, in and of themselves, are worthy recipients of corporate responsibility, the majority is primarily concerned with how implementing employee practices, or attending to employee needs, contributes to the financial bottom line. As a result of this preoccupation with instrumental consequences, the importance, for instance, of generosity; of going beyond paternalistic practices alone; of thoroughly

integrating the employee commitment throughout all the processes of the business, is missed. A similar tendency was found in the literature reviewed for Chapter 4. Even though in the initial development of the concept, social partnership and collaboration is understood as a powerful vehicle to ameliorate social and environmental ills and as an important mechanism to achieve corporate responsibility, when theorised in an organisational context the focus of these studies shifts, almost inevitably it seems, from an understanding of social collaboration as an end in itself, to social collaboration as a business strategy, which can enhance the financial or commercial dimension of collaborative partners. Within this focus, however, external engagements that have no commercial value (or pose a cost or risk) such as those found within the sample businesses, remain unacknowledged. Again, an exploration of the generosity (in both time and money) of the sample businesses, as well as the specific requirements and complexities of such engagements remains limited.

The second characteristic of current CSR-related research that inhibits a full and rich description of the sample businesses' experiences is the dominance of rationalised approaches to corporate responsibility. As also alluded to in the participants' quotations above, while rational, systemised and formal elements of the organisational reality are readily acknowledged, the intuitive, informal, intangible and messy side of CSR is generally hardly addressed. With a focus on those elements of CSR that can be rationalised, controlled and systemised, many CSR studies seem to reduce the concept of corporate responsibility to, what Ellul calls, a "technique". Technique refers to the totality of methods or processes rationally arrived at to serve efficiency and financial ends (Ellul in Driscoll & Wiebe, 2007, p. 334). Technique focuses on results or "ends"; prefers rationalised and systemised ways of understanding and is pre-occupied with what works and rejects what does not work (Driscoll & Wiebe, 2007; Heidegger, 2009 [1954]; Kallinikos, 1992). This means that within the process of technicalisation, that which "was once prized in its own right now becomes worthwhile only if it helps achieve something else" (Ellul in Driscoll & Wiebe, 2007, p. 338). Unfortunately, within this process the essence of that which is technicalised is generally reduced (Driscoll & Wiebe, 2007; Kallinikos, 1992). For example, as discussed in the context of Chapter 5 (which explores the emergent and evolutionary nature of the CSR implementation process), many process-orientated CSR studies start from the understanding that the CSR implementation process is surrounded by fundamental uncertainty, is highly individual in nature and is "ongoing". In theorising this process however, the majority arrives at some sort of "systemised" (consisting of certain consecutive steps or stages) or "standardized" version of this process; and (implicitly or explicitly) suggests that certain "solutions" or endpoints exist. In addition, within these process descriptions rational deliberations

and tangible outcomes are often emphasised. Within this focus, however, scholars tend to lose sight of the intuitive, messy, non-linear, company-specific essence of the CSR process, and often fail to do justice to the importance of *continuous* reflection and questioning. The focus on solutions or standards may also give the false impression that uncertainty and impermanence can somehow be controlled and overcome, or that, with following some sort of framework, the organisation can become “responsible”. In addition, in the pursuit of technique, studies tend to “smooth out” reality, and “darkness” or difficulties are avoided (Driscoll & Wiebe, 2007, p. 335). This is illustrated by the literature reviewed for Chapter 6 (which discusses the conflicts and compromises of CSR implementation). Here the literature starts with the notion that to understand the challenges of implementation, there is a need to *accept* the tensions between the different business dimensions and take these as a starting point for developing theory. However, when conceptualising the challenges of implementation, the literature appears to reduce this underlying tension to something manageable and solvable through rational means, and seems to avoid the various, ongoing difficulties and compromises inherent to CSR implementation.

This focus on rationalisation leads to a loss of depth and richness of the corporate responsibility concept (Driscoll & Wiebe, 2007). With an emphasis on formalised or standardised practices or processes, studies may lose sight of the fact that this is only the more tangible part of the whole range of “measures” that values-driven businesses may employ. An emphasis on rational and systematic deliberations takes the attention away from the also important creative, intuitive, non-rational approaches to decision making. In addition, by simplifying the challenges of these businesses to a case of complex decision making between different demands or commitments, it fails to explore other possible challenges that these businesses may experience.

While there may be certain aspects of CSR (implementation) that benefit from an analysis within a rational, economic perspective (e.g., for the development of “technical” tools for the measurement and comparison of the carbon footprint of different products), the issue is that the majority of CSR-related studies appear to be “imprisoned” within economic and rationalised frameworks of interpretation, which narrows the perspective on what corporate responsibility is and consists of (Verstraeten, 2002). In particular, it does not “see” acts of altruism, of generosity and of simply being of service to others as “corporate responsibility”; and neither does it acknowledge the struggle of “trying to be responsible” in its entirety. The concern is that these frameworks of interpretation will therefore ultimately fail to do justice to the essence and depth of the responsible reality found within the sample businesses, and would lead to an incomplete theoretical and practical conceptualisation of corporate responsibility. In other words, if the findings are reviewed within an

economic, rationalised perspective on CSR, or are made to “fit” with such a perspective, that which I sought to achieve with this research, to provide a more “radical³⁰” understanding of corporate responsibility, will be lost.

In the next section, I propose an alternative lens through which CSR within values-driven businesses can be explored. A lens that, in particular, can embrace the beauty and depth of the business commitments, while also being present to the ongoing struggle of implementation.

7.3. Introducing an existential lens: Understanding CSR within a human context

Within this section I introduce existentialism as an alternative lens through which CSR within these businesses can be understood. In 7.3.1 I first explore the relevance of understanding their experiences within the context of the human existence. In 7.3.2 I explain the choice for existentialism, which is followed in 7.3.3 by the contribution of existentialism within management and organisation studies. In 7.3.4 I briefly discuss the historical roots and context of existentialism.

7.3.1. Beyond a business context: CSR as part of the human experience

Rather than understanding CSR primarily within a business context, in this section I suggest that CSR, as it was found in the sample businesses, is perhaps better understood within the wider context of human existence. While participants are obviously “in business”, their understanding of what a responsible business is, and how it should act, is primarily derived from what they consider to be a meaningful or worthwhile *human* existence. As for instance John (Pendragon Brewers) said,

What we do has to with head and heart It has a lot to do with, like we used to learn as Catholics at school, to what purpose or reason to this earth am I born? [Laughs].... So that has everything to do with your approach to life: what is that role; what do we want; what can we do; what can we contribute? ... but as a business.

³⁰ As mentioned earlier, the term “radical” refers to “relating to or affecting the fundamental nature of something; far-reaching or thorough” (Oxford Dictionary of the English language)

Similarly, Kay (Affinity) explained,

The secret to the depth and the impact of our mission ... really emanates from [the founder] She is ... a very spiritual person, not from a religious perspective, but she is always enquiring and exploring and researching What does it really mean to live a fulfilled life?

The quotations show an articulated concern with a meaningful and purposeful human existence, and suggest that they see the business as an integral part of that. Tom from Einstein's Cycles literally said, "We are really trying to ... do something transformative that would root our work in these larger value questions, these larger questions of meaning about life".

In the quotations above, both John and Kay relate the purpose of their business explicitly to the ultimate meaning or purpose of human existence. Or when Patrick said, "The business above all should strive to be, well, more or less useful; to generate real value" (Green Valley Organics), he referred to what may be considered useful in a human context rather than in a "traditional" business context. In a similar way, in questioning what might be a good and meaningful way to act and be in business, they refer back to what may be a good and meaningful *human* life. As one participant reflected, "It is no different from me trying to figure out how to be graceful in the world, so does the organisation has to figure out how to be graceful in the world" (Einstein's Cycles).

Or, as the following quotation from Pippa illustrates, they do not look at their journey with the business as purely a "business" experience either: "Business was simply a name or label that the world understood. All that went on inside of the business was living life to the full, creating and feeling you are doing a good thing" (The Owlery).

The findings indicate therefore that CSR within values-driven businesses may be better understood from a *human* existential perspective rather than primarily or exclusively from a *business* perspective.

In the following section I propose existential philosophy as a way to frame an understanding of human existence.

7.3.2. The choice for existentialism

While there are other philosophies and traditions that are concerned with understanding and conceptualising the human experience, such as religious (e.g., Christianity, Buddhism) or other philosophic traditions (e.g., yogic philosophy as part of Hindu philosophy), existentialism is appropriate as it is particularly clear about the fundamental tension underlying the human existence

and provides therefore explicit insights into the struggle of life. In addition, depending on the existential author, existentialism provides a religious or secular perspective on the human experience. While existentialism is understood as a philosophy rather than a religion, it does not reject God or religion, and while it honours a reality beyond the immediate, physical plane, this is not necessarily a religious understanding (D. E. Cooper, 1990; M. Reynolds, 2008). This “inclusive” aspect of existentialism is particularly appropriate in the setting of this study since for some participants there is an explicit religious aspect to their business, while others reject any religious connotation and frame the greater context in which they see the business in secular terms. For example, while Nature Foods is not set up as a “church-based thing”, they initially sought to “live out some of the ideas that Jesus talked about How can we find ways to employ ourselves, employ people, do good and live out our faith as one?”. For other businesses, such as Three Brothers, a spiritual, but non-religious, understanding of this larger context was more applicable. As Christine explained, “Our purpose is to operate a profitable brewery which makes our love and talent manifest. That’s a very spiritual thing for us: it’s about being excellent and unusually connected and careful of one another”. Again others, did not resonate with spiritual *or* religious connotations, as for instance David said, “I don’t consider myself a spiritual person and I’m not terribly religious But I am ... committed to social justice issues and I see that as standing alongside spirituality ... alongside religious dogma” (Prometheus Bank). Finally, existentialism explicitly rejects “technicalisation” as it was discussed above and explicitly opposes an overemphasis on rationalisation and objectification. This will be discussed in more detail in the Historical roots section below.

7.3.3. The contribution of existentialism

The application of an existential perspective within management and organisation studies is not new. As reviewed by Algera and Lips-Wiersma (2012, p. 122)³¹, existentialism is increasingly utilised within organisation studies and has been argued to be particularly useful in integrating individual and organisational levels of analysis (Pauchant & Morin, 2008). According to Pauchant (1995), by addressing the basic issues of the human existence, existentialism creates a better understanding of subjective experiences as well as the actions of people who work in organisations. It has shown explanatory potential with regard to a range of subjects like leadership (Avolio & Gardner, 2005; C. D. Cooper, Scandura, & Schriesheim, 2005; Lawler, 2005); organisational ethics and ethical decision making (Agarwal & Malloy, 2000; Jackson, 2005; Malloy, 2001; West, 2008); meaning at work and

³¹ In the following sections, where I give a general description of existentialism and address existential themes, I draw, and use excerpts, from an earlier published paper, *Radical Authentic Leadership: Co-creating the conditions under which all members of the organization can be authentic* (Algera & Lips-Wiersma, 2012), authored by myself and Marjolein Lips-Wiersma.

workplace spirituality (Bean & Mills, 2005; Pauchant, 1995); and professional competence (Sandberg & Pinnington, 2009).

Ford and Lawler (2007), for example, suggest that the existential perspective offers significant contributions to the study of leadership because it goes beyond a traditional, rationalistic/objectivist approach and addresses some of its limitations. Ashman (2007) argues that existentialism contributes to leadership theory by focusing attention on everyday experiences of subjects, rather than on abstract generalisations common within leadership studies. In relation to ethical decision-making, West (2008) argues that existentialism, and in particular the concept of authenticity, is useful in reframing ethical dilemmas in terms of individual responsibility rather than in terms of objective criteria. Existentialism conceptualises ethical decision-making as a reflective process aimed to encourage greater awareness of individual freedom and responsibility. Bean and Mills (2005) use an existentialist perspective for exploring the spirit-at-work movement. They argue that the secular approach to spirit-at-work lacks theoretical conceptualisation and direction, and suggest that existentialism can provide theoretical grounding to a secular approach to meaning at work, as well as a critical perspective on the nature of work.

While the primary focus in these studies is generally the individual (e.g., the leader, the decision-maker), others have applied existential thought to the organisation as a whole. Pauchant and Morin (2008) suggest that existential issues such as death, solitude, responsibility and meaning shape both identity and strategy in organisations, and that acknowledgement of these issues can improve human and organisational conditions. Reedy and Learmonth (2011, p. 118) argue that Heidegger's approach to death stimulates thinking about what constitutes a worthwhile life and allows therefore for a debate on what the ultimate purpose and nature of organisations should be.

It should be noted that existentialism cannot be viewed as a uniform theory. As described by Algera and Lips-Wiersma (2012, p. 121), while for instance Wallace (2009) centres on the work of de Beauvoir; West (2008) focuses on Sartre, as do Jackson (2005), Kelly and Kelly (1998) and Yue and Mills (2010). MacMillan (MacMillan, 2009; MacMillan & Mills, 2002) draws principally on Heidegger, but also on Frankl and Sartre. In their paper on Death and Organization, Reedy and Learmonth (2011) draw exclusively on Heidegger, while in another, Reedy (2008) draws on a combination of Sartre, Heidegger and Ricoeur. Thus, within organisation studies, existentialism is "an eclectic philosophy or a set of attitudes" (Lawler, 2005, p. 216), which has very diverse roots (Pauchant & Morin, 2008). While some authors in organisation studies have started to integrate different existential perspectives (Reedy, 2008), "the majority justifies the chosen perspective solely on its explanatory potential to leadership and organization studies in the particular phenomena that they

focus on” (Algera & Lips-Wiersma, 2012, p. 121). Here I follow this tradition in that I do not review the various existential traditions in themselves, but focus on three main existential themes (based around “authenticity”³²) that are relevant in relation to these values-driven businesses.

Finally, in organisation studies some authors draw directly on the writings of the existentialists but generally use narrow interpretations of such work. Other scholars use secondary sources, which usually provide exegesis, integration and discussion on existentialist thought and its contemporary relevance (Algera & Lips-Wiersma, 2012, p. 121). The following is a combination of these approaches. While I may draw (and cite) directly from the writings of Weil and de Beauvoir (de Beauvoir, 1976 [1948]; Weil, 1958, 1962; Weil & Miles, 1986), my general understanding of existential thought has been substantially informed by secondary interpretations by contemporary existential philosophers (e.g. Guignon, 1986, 2004; Guignon & Pereboom, 1995; Rogers, Kirschenbaum, & Henderson, 1989) or authors such as Pauchant (Pauchant, 1995; Pauchant & Morin, 2008).

7.3.4. Historical roots

Existential thought is best understood as a response to a “‘rational’ system of thought and life developed by Western industrial society and its philosophic representatives” (Fontana, 1984; Tillich, 1944, p.66). Existentialism opposes an emphasis on rationalisation, objectification and progress, which were brought to the fore during the Enlightenment (J. Reynolds, 2006). While the positivist view on the world, which was key to the rise of the “modern” (scientific) worldview, enabled great scientific achievements, the rational/positivist perspective on the world and human existence undermined the idea of the universe, nature and life as inherently meaningful, value-filled and purposeful (Guignon & Pereboom, 1995). According to an existentialist view,

Modernity engenders a way of life characterized by obsessive pursuits that lead to alienation not only from others, but from one’s own self as a human being with feelings and needs It also tended to undermine the ability to formulate a coherent, viable image of the ends of living. (Guignon, 2004, p. 48)

Existentialists were concerned with this loss of inherent value and meaning since without this there are “no underlying grounds to legitimate our existence or define our aim in life” (Guignon &

³² The concept of authenticity and its relationship to existentialism is explained in detail in 7.4, in particular in 7.4.1 and 7.4.2.

Pereboom, 1995, p. xvii), nor does it provide direction in how to act in life. Existentialists, therefore, sought to understand the human experience and discover an ultimate meaning of life beyond scientific or moral inquiry (Crowell, 2006; Guignon & Pereboom, 1995; Tillich, 1944).

In the next section I explore existential thought in relation to three themes, and review the findings in relation to these themes.

7.4. Placing the findings within an existential perspective on authentic existence

In this section I describe the existential understanding of an authentic existence through three main themes, and will discuss each of the themes in relation to the research findings (7.4.2 to 7.4.4). The discussion of the themes is preceded by an introduction to existential authenticity and a brief description of the existential understanding of the human predicament (7.4.1). I conclude this section with a reflection on the three themes in 7.4.5 and a discussion of further theoretical implications in 7.4.6.

7.4.1. Existential authenticity and the human predicament

While existentialism does not offer a fixed set of ideas (Earnshaw, 2006) or proposes “a unified doctrine” (Guignon, 1986, p. 73), a concern with an “authentic” existence can be understood as fundamental and central to existential thought (Pauchant, 1995; J. Reynolds, 2006). The existential concept of authenticity was first introduced and explored by Kierkegaard (Earnshaw, 2006), while later existentialist writers, particularly Martin Heidegger in *Being and Time* (Heidegger, 1962), further developed the concept (Lawler, 2005). It should be noted that while in popular jargon authenticity is commonly understood in psychological terms, for existentialist writers authenticity is concerned with the ontological nature of being and existence rather than with the individual psychological make-up (Earnshaw, 2006).

While there is some variety in the perspectives of existential writers, I identify three central themes³³ of authentic existence that are of particular relevance to the findings: Inauthenticity is inevitable; Authenticity requires creating one's own meaning; Authenticity does not imply goal and value congruence. These themes of existential authenticity are clarified in the following three

³³ These three themes are derived from the four themes described by Algera and Lips-Wiersma (2012)

sections (7.4.2, 7.4.3, 7.4.4) by discussing each theme in relation to the research findings. It is important to note that there are no strict boundaries between the themes; and that they are, to an extent, overlapping. Therefore, while I discuss certain research findings under the, to my understanding, most logical theme, this does not imply that they could not be placed under another theme as well. As an introduction to the themes, I provide here a brief explanation of the fundamental tension underlying human existence³⁴.

Within existentialist thought, the human existence is characterised by “a profound tension or conflict, an ongoing struggle between opposing elements” (Guignon & Pereboom, 1995, p. xvii). The idea of human beings as made up of and caught between two dimensions can be found in most existential writings. On the one hand, there is a certain “facticity” to life: we are finite beings with inbuilt needs and drives not so different from animals (de Beauvoir, 1976 [1948]). This “force” of gravity, to which all human beings are subject, arises from the necessities of physical existence and is focused on self-preservation and self-interest (Pearce, 2012; Weil & Miles, 1986); and may lead people to search for power and control (Weil in Pauchant, 2002). On the other hand, humans are different from other natural organisms; they are free insofar as they are capable to reflect on their existence in the light of an overarching vision of what life is about and shape their life in accordance with the fruits of these reflections (D. E. Cooper, 1990, p. 3; de Beauvoir, 1976 [1948]; Guignon, 1986; Guignon & Pereboom, 1995; Tillich, 1944). As such, human beings are concerned with themselves; they seek meaning for their existence beyond the immediacy of basic needs and drives, towards an ultimate concern or purpose (Guignon, 2004; Guignon & Pereboom, 1995, p. xviii). This duality between being subject and bound to the necessity of needs, while at the same time being capable and free to reflect on and strive for higher aspirations, creates a constant and lifelong tension at the core of the human existence (de Beauvoir, 1976 [1948]; Weil, 1958). From an existential perspective therefore, life is difficult, a struggle, and existentialists hold that there are no final or magical solutions for this human predicament (de Beauvoir, 1976 [1948]; Pauchant, 1995).

The following three sections address each of the three existential themes: Inauthenticity is inevitable; Authenticity requires creating one's own meaning; Authenticity does not imply goal and value congruence.

³⁴ The theoretical part of this section draws on Algera and Lips-Wiersma (2012, p. 122)

7.4.2. Theme 1: Inauthenticity is inevitable³⁵

Within existential thought, authentic existence is distinguished from an inauthentic existence. In authentic existence one is aware of the fundamental structure of life and seeks to achieve truthfulness with respect to oneself (to one's aspirations, values and beliefs), whereas in an inauthentic existence one is not (Guignon, 2004; J. Reynolds, 2006). Inauthenticity is generally understood as an alienation or estrangement from one's highest "potentiality-for-Being" (Heidegger, 1962, p.309; Sartre, 1992 [1983]). Existentialists contend that an authentic existence is desirable over a non-authentic existence and are concerned with helping people realise their freedom to choose and accept responsibility for their lives (Jackson, 2005).

Nevertheless, they recognize that people generally fail to see that they are self-creating, or fail to face up to this responsibility, by identifying too easily with the "communal character" of their existence (D. E. Cooper, 1990; Guignon & Pereboom, 1995; J. Reynolds, 2006). They see human beings as necessarily embedded and immersed within a specific practical or social context with pre-given attachments, concerns, meanings and values (Guignon & Pereboom, 1995, p. xxv), which distracts them from being aware of their own individuality and meaning in life. Generally, it is difficult to question the meaning of one's own existence as "we tend to drift along into public ways of acting, doing what 'one' does, and we assume that our lives are justified so long as we are conforming" to the norms and expectations of our social world (Guignon & Pereboom, 1995, p. xxxi). In addition, since "we have to play many different roles in our complex society ... we tend to be dispersed and distracted, lacking any real cohesiveness and integrity" (p. xxxi). At the same time, as discussed by Algera and Lips-Wiersma (2012, p. 122), it is on the basis "of our belongingness to the public that we can later strive to discover our identity as individuals" (Guignon & Pereboom, 1995, p. xxv). In other words, in-authenticity is a necessary feature of being part of the world as well as a condition for authenticity; one cannot exist without the other (J. Reynolds, 2006). It is inconceivable, therefore, that inauthenticity is a characteristic of passing social conditions that we can do away with and existentialists accept that more often than not, in everyday life one is not authentic (D. E. Cooper, 1990; Earnshaw, 2006). For these reasons, inauthenticity should not be understood as "bad" but rather accepted as an unavoidable and natural part of human life (D. E. Cooper, 1990, p. 112).

While current corporate responsibility studies struggle to acknowledge any purpose or commitments beyond profit or commercial gain, within an existential understanding such aspirations are understood. Reflecting on the findings from an existential perspective suggests that, in their quest to

³⁵ The theoretical part of this section draws on Algera and Lips-Wiersma (2012, p. 122)

be “responsible”, these sample businesses are pursuing an authentic existence; they seek to act in accordance with their own values and commitments, rather than blindly following what other businesses are doing. As Mark said, “We just ignored the regular kind of business approach We followed what was in our heart rather than doing what everyone else was doing” (Everest). In addition, while current CSR studies are keen to “solve” the tension between the different dimensions of responsible businesses and do not fully acknowledge their ongoing struggle, within an existential perspective this fundamental struggle is understood. It is understood how difficult it is to pursue one’s aspirations and commitments, while also being bound to what needs to be done to survive within a certain context. As shown in Chapter 6 for instance, pursuing one’s higher values and commitments is hard for the sample businesses, in particular within a competitive environment driven by commercial values. While there may be situations where these needs and values are aligned, more often than not (significant) compromises are required. Within an existential perspective it is understood that this tension is always there; and unlike most CSR studies, it understands therefore the *ongoing* nature of the process of reflection and adjustment that the businesses go through, as well as the impermanent nature of any CSR solutions, as the business continually reassesses and re-aligns its basic needs and higher aspirations. An existential perspective does not attempt to solve, prettify or reduce this struggle or hardship but simply accepts it as part of life.

Also, unlike current CSR studies, an existential perspective pays explicit attention to the inevitability of inauthenticity and the likelihood of becoming *distracted* from pursuing the higher aspirations of the business. In particular, how easy it is to “slide into some style of living currently deemed acceptable in the public world we live in” and becoming captured by the goals and concerns of that public context (Guignon & Pereboom, 1995, p. xxvi), without questioning whether this is still in line with the business’ *own* values or aspirations. Participant comments reflected this “becoming captured” by the goals and concerns of the business context in which they are placed. Participants described the temptation of money, of wanting more, of seeking power, of “ego gratification”, or of winning and claiming victories. For instance, as mentioned in Chapter 3, when Green Valley Organics was growing rapidly, they became “caught up” in the pursuit of growth and success, which are “valued” goals in a “normal” business context, rather than staying alert to what this meant for their employee commitments.

The phone just kept ringing, more people wanting organic vegetables We could have said, we can’t do it ... but ... I don’t know, maybe it was egotism I think we got a little carried

away with ourselves and we shouldn't have We thought ... we were gods.

The following poignant example of Paul (Eden Breads) similarly spoke to this idea of becoming captured by the aspirations of the business context and realising they are not really his own.

When I was at my previous company, we ran that in quite a harsh manner; there was only one reason for existence and that was to maximise shareholder wealth. I went ... to a business seminar ... and I learned negotiating skills, I loved it, the great psychology ... the techniques A month before Christmas I decided to get my oldest son a bike ... I looked ... in Marktplaats³⁶ and I found one for 60 or 70 Guilders. I went around to the house, which was an old statehouse ... and I thought, here is a fairly unkempt place, this woman will be quite desperate to sell and probably needs the money, which means that 70 can probably become ... 50 I softened her up, and one of the techniques was to show the cash, so I pulled out the 50 and said, there it is – take it or leave it. She looked at me and took it. I felt bloody good, 70 Guilders and I nailed it for 50. Proud of myself But the more I thought about it, the less right it was. I realised then that I had actually taken the company values and imposed them on my personal values. I was treating her like I would treat a corporate customer She probably wanted that money for food or Christmas presents and needed it a lot more than I did That had quite a big effect on me. I realised I was off the rails. I realised I needed to align my spiritual or human values with the business, not the other way around and that was what was happening. It rattled my cage badly.

From an existential perspective these “tendencies” can be explained, and it is acknowledged that even though these may not be goals or values that they *ultimately* pursue, people are still subject to them and may influence them to make decisions that pull them away from what they seek to realise. The findings showed various instances where businesses conformed to the ways of the “traditional” business context rather unconsciously and could be understood, therefore, as acting “inauthentically”. As suggested in the second half of Chapter 6, it seemed that some participants had become somewhat blind to the fact that they “always stand out into an open range of possible courses of action for the future” (Guignon & Pereboom, 1995, p. xxvi). For example, as the discussion of the Nature Foods case showed, Tim saw Nature Foods “compelled” to act in the “commonly” accepted ways of the commercial reality and appeared to have accepted that Nature Foods had entered a new reality in which it was necessary to become more realistic about the values and commitments. Rather than being open to alternative courses of action, and accepting

³⁶ Trade and exchange magazine

responsibility for shaping the organisation's existence in line with the company's *own* values and aspirations, he appeared to hide "behind a social role and justifying actions as necessary to 'doing one's job'" (Guignon, 1986, p.88). The issue here is not that Tim is aware of the demands and necessities of the business context; as discussed, existentialism *understands* this context and knows that this reality needs to be honoured. The problem arises when business becomes under the sway of the demands and goals of the business context and is no longer *aware* of the conflict between that which the business context requires (or tempts them with) and their higher aspirations for the business. It is in those situations, when there is no awareness of a conflict or tension, that the business can no longer make a conscious choice. For example, in the case of Green Valley described above, the tension between growth and serving employee needs was "invisible" to Green Valley at the time of growing. Since they had (unconsciously) come under the sway of their achievements, they did not make a conscious choice on whether or not they should continue to grow. Awareness of the temptation of growth and its influence on the choices made within the business would have been an important element in maintaining authenticity. It is important to note here that upon conscious reflection, Green Valley could have *still* made the decision to keep growing, and this would have been authentic if they had considered that to be best in line with their overall aspirations for the company.

Existentialism does not seek to judge or control this tendency towards inauthenticity but calls for the clarity to understand its existence and influence, and the courage to take a stand on it in light of higher aspirations. Interestingly, a few participants reflected a similar and explicit understanding of these human tendencies. As Paul (Eden Breads) explained, "We all have a spiritual component And that is something that makes us different from animals [What is important is] making sure that you don't get captured by business values that are not spiritual values". Or as Mark (Everest) said,

There is that animal part of us and there is this other part, that is the spiritual being and there is a conflict between the spiritual being and the animal/human part. The human part is the emotional, it is immediate, it is strong energetically wise, so it is easy to get caught up in the emotions and that fear. Without judging it, because it is the energy of survival So we have that as part of our being and we need to embrace it and really accept it And then there's another part of us as well: it's quiet, very subtle voices, and sometimes it is difficult to hear those voices.

These quotations, which are quite philosophical in nature, show the understanding that it is not

about finding “solutions” for these tendencies, or “suppress” them, it is about having clarity that these tendencies are there and keep reminding oneself of what it is that one truly aspires to. As Tom (Einstein’s Cycles) said about the desire to claim victories, “I suffer from that! I hear that voice, but I see that voice as a voice to be watched very carefully”. He explained,

There is something about humans that perpetually gets it wrong if they don’t humbly go back to ... what they worship, what story they worship, we get it wrong. We tend to ... go to that scarcity model, where we are fighting for ourselves. We do, I do. I do. I find myself in the middle of almost every day doing that. I am a walking ... a walking web of corruption and sin. I am! I am! [Laughs] I am tangled in it.

Similarly, Linda (the woman just appointed as business ethicist at Landrijsk Insurance), who viewed these “negative” tendencies as a “shadow” or “phantasm”, reflected,

The shadow is where the demon rests. And the demon ... pulls the person back or pulls the person down The more the person can manage that phantasm, the more free they are and the more they are to be the maker of themselves. And really, the shadow side is the denial of who you are, rather than being who you are

If you move it to a systemic setting, like a corporation, then again, the shadow is there and you can’t [hesitates] somehow you got to, not necessarily conquer, but name it and not deny that it’s there. The propensity is always there.

The key here is that existentialism emphasises that decisions are made in full awareness of both the aspirations as well as the different other needs of the business, rather than by *unconsciously* doing what others in the business context deem appropriate. As Tom reflected, it is

The very purity or the very clarity with which you do things That allows creativity. Because there is something about that emptying of all except for the present. Be really present; intensely and completely present in mind, body, spirit, emotionally, everything, so that you are giving yourself so fully to what you do

It is the discipline of being very clear about what is this moment. (Einstein’s Cycles)

Unless the business is aware of itself, of its own reality, the business is in danger of thoughtlessly *reacting* to whatever impulses or desires may arise, or to whatever pressing business demands may present themselves, rather than truly creating from the higher aspirations.

7.4.3. Theme 2: Authenticity requires creating one's own meaning³⁷

Existentialists see human beings as both capable and responsible for creating their own meaning in life: “we must endow the world with meaning and it is only we who can do this” (J. Reynolds, 2006, p. 5). Each person is solely responsible for how she attempts to resolve the fundamental tension and for realising her potential (D. E. Cooper, 1990; Earnshaw, 2006; J. Reynolds, 2006). Guignon and Pereboom explain that

We can either recoil from our responsibility for our lives, pretending that we are forced to act in certain ways by circumstances beyond our control. Or we can embrace our responsibility for self-fashioning and seize on our lives with clarity, integrity, and courage. (1995, p. xxi)

Human beings constantly express this aspiration towards an ultimate purpose in their choices and actions and it is these that define the person rather than intentions or an enduring set of characteristics (Ford & Lawler, 2007; Guignon, 1986). According to existentialists, any biological or social status does not determine the person, who one *is* (J. Reynolds, 2006); instead, human beings are constantly in the process of *becoming* through their choices (D. E. Cooper, 1990).

Even though people are capable of creating their own meaning in life, existentialists contend that the process is inherently surrounded by ambiguity and uncertainty. Existentialists hold that there are no universal rules of morality, external facts or values that dictate actions (J. Reynolds, 2006); the lack of such guidance means that human beings are confronted with the necessity of choosing. The lack of standard or fixed answers to what is “right” or “best” in each situation, means that it is only through “the agony of an indefinite questioning” or trial and error (Guignon, 2004), that this uncertainty and ambiguity can be addressed. According to de Beauvoir,

One questions the personal meaning of each action in relation to the freedom he tries to save for himself and as such in relation to his higher concern. It is impossible to determine the relationship between meaning and the content of action in an abstract or universal way, there must be trial and decisions in each case. (1964, p. 134)

Within an existential understanding, therefore, “not knowing” is an inherent part of human life. Rather than attempting to reduce or control this “pervasive uncertainty” through finding permanent

³⁷ The first part of this section draws on Algera and Lips-Wiersma (2012, p. 123)

or standard solutions for situations, uncertainty in choice is accepted and should be faced (Jackson, 2005, p. 318). In fact, to confront choices and conflicts authentically “means that a deliberator squarely faces the openness and indeterminacy of the situation” (Jackson, 2005, p. 320). Jackson suggests that, “moral maturity involves recognizing that there is much we cannot know; and yet action must be taken” (p. 318). In this context, it is recognised that choices often require that “we must make a leap of faith” (J. Reynolds, 2006, p. 5). In addition, some existentialists also explicitly point at the importance of non-rational elements involved in the deliberation of different choices, in particular since “rational calculation will never be sufficient to provide answers to issues of major existential significance” (J. Reynolds, 2006, p. 6).

While current CSR studies are tempted to present rationalised or standardised corporate responsibility practices or processes (e.g., CSR implementation frameworks) and struggle to be present with the ongoing and impermanent nature of CSR implementation, within an existential perspective the nature of this process is understood. As described in Chapter 5, both the understanding of what is of core importance to the business, as well how this can be brought into practical reality evolves and emerges over time. As Kay (Affinity) said, “We are in a place of evolution ... it’s active! ‘We’re in the river’ and things are constantly changing and we recognise that, nothing is static”. An existential perspective understands that the business is continuously becoming and evolving through its choices.

While some CSR studies seem to equate stated aspirations or even past actions with “being responsible”, from an existential perspective, it is understood that the business determines its “responsible” nature through its choices in every moment. As Paul indicated, “It is every business decision, it’s about what’s the right thing to do ... in this situation. What the right thing is, is not always set in stone” (Eden Breads). As Linda (Landrijsk Insurance) said eloquently,

We live in a world where the institutions and traditions are all suspect ... you don’t have the categories anymore in which things are so clearly defined You got to be self-determined in every moment We are constantly forging our identity and this is basically saying, this is a corporation, this is a system, it is a moral person and it is negotiating its identity in this new age.

In addition, existentialism recognises that the nature of CSR practices and processes will inherently be company-specific and depend on what the individual company considers to be in line with its own values and aspirations. As was outlined in Chapter 5 in particular, while there may be certain tools or

“best practices” that can be shared between businesses, it is understood that implementing corporate responsibility is simply too individual a process and there can be no standardised framework to implement it. As, for instance, Alex explained,

You have to be sharing and learning in order to get better but the world of case studies and best practices ... I guess in my experience it can have limited applicability If you're in a company with no CSR strategy, how do you implement one? There's no model for how to do that. (Pure)

Also, while some CSR studies acknowledge the uncertainty and ambiguity surrounding CSR implementation (e.g., the studies within the learning organisation lens discussed in Chapter 5), many also seek to diminish the ambiguity and even control the uncertainty surrounding CSR implementation. An existential perspective, however, understands that it is important to stay present to uncertainty and continuously question and experiment, rather than trying to find “standard steps” or “one best way”. And, unlike current CSR studies, it understands the suffering involved in that process. As Linda said,

It's about living with the question because [trails off]. The problem with a mechanistic approach is that everything is dotted, it's mathematical, it's apathetic, there is no suffering in it, there is no cost. Whereas if you have a value-driven approach there is constantly ... an uncertainty, you know? But you have got to take risks. But you take risks based on honest considerations and that is all you can do. (Landrijk Insurance)

While, as mentioned in the introductory quote by Alex (Pure), “in business and society ... we are trained to either know or convince people we know, and it's often a sign of weakness to *not* know and to consider the questions more than the answers”; within an existential perspective being present to not knowing is understood as an important element of bringing the higher aspirations of the company into action, rather than a weakness.

From an existential perspective therefore, it can be understood that CSR implementation is a humble process. And, as discussed in the context of Chapter 4, several participants showed an explicit awareness of the humble nature of their implementation process. As Tom from Einstein's reflected,

Our process is different it is a more humble process It involve some sort of openness

and willingness to learn coupled with our mission. I mean, we have our mission, we have our gift, we have our calling but we also have to kind of have a confession that we are lost.

Finally, within an existential perspective non-rational and immeasurable elements of corporate responsibility implementation can exist. For example, while generally not acknowledged in CSR studies, choices made within CSR implementation often require a leap of faith. As mentioned in Chapter 3 and also at the start of this chapter, participants mentioned, directly or indirectly, the influence of faith. This referred not necessarily to faith as a religious concept, but to the conviction or confidence that things will somehow be okay; in particular when taking risks and or making decisions that may involve giving up on some control. In addition, while the irrational or intuitive is generally not acknowledged within current CSR studies as an important element of CSR implementation, an existential perspective understands that CSR it is “not science” (Pure) and that when it comes to issues of meaning and purpose, rational calculation alone is not enough. This existential understanding therefore, leaves room for the non-rational elements of CSR implementation as they were found in the sample businesses.

7.4.4. Theme 3: Authenticity does not imply goal and value congruence³⁸

For existentialists authenticity is a highly individualised concept (Guignon & Pereboom, 1995): the authentic life is given focus by those values and goals that the individual considers to be meaningful. Existentialists do not see this involvement with the self as “self-absorption and egocentrism” (Guignon & Pereboom, 1995, p. xxxvii), nor do they espouse complete relativism, but they do highlight that the individual nature of authenticity can make it challenging and disturbing to be with others (D. E. Cooper, 1990). After all, an authentic person does not conform to what others or society consider meaningful but acts in line with the goals and values that she considers to be meaningful. Similarly, authenticity might not have any moral implications for the nature of the objective or purpose the individual strives for. What is true or good from the perspective of the authentic individual might not be in line with what is considered as ethical or moral by others or by society. Alignment of goals and values between different individuals or groups is therefore not a necessary outcome of authenticity.

At the same time, existentialists suggest that pursuing one's own values and aspirations does not exclude the possibility of having a sense of community with others (Guignon & Pereboom, 1995, p. xxxv). Many existentialists hold that within the process of becoming authentic, people move into a

³⁸ The theoretical part of this section draws on Algera and Lips-Wiersma (2012, p. 123)

transformed understanding of their relationships with others and their environment (Guignon & Pereboom, 1995). For instance, when the individual realises the importance of his own freedom and accepts responsibility for his life, he is encouraged to “guarantee for others what he necessarily claims for himself” (Terry, 1993, p. 141). In addition, some authors suggest that while satisfying basic human needs and desires leads to the search for control and power, within the pursuit of higher aspirations the higher human agencies of love and altruism are expressed (Pearce, 2012). Within authenticity there may as such be a sense of community when people understand their shared destiny together (Guignon & Pereboom, 1995, p. xxxv). Finally, as people come to understand the ongoing struggle of existence, and their own incapacity to be authentic at all times, they may seek judgement less. According to Schwartz (1995, p. 233), for instance, the capacity “to accept human reality for what it is, in oneself as well as others, makes for the possibility of an identification with others that is more real and therefore more profound than that of mutual idealization in the ego ideal”. The understanding and acceptance of human reality allows for a deeper and more honest connection with others. Rather than seeing difference between one another, it may encourage to see one’s own humanity reflected in others.

In summary, while authenticity may not guarantee goal or value convergence, the process towards authenticity can increase the compassion and consideration for others, and promote a sense of unity with others.

While social collaboration and partnership studies (see Chapter 4) acknowledge the challenge of finding collaborative partners with similar goals and values, CSR studies in general do not recognise (as discussed in Chapter 6) how lonely and disheartening it can be for values-driven businesses to operate in a context that, for the most part, promotes very different values. From an existential perspective, however, these differences between the goals and values of people, as well as how hard these differences can make it for those pursuing authenticity, is recognised. As, for instance, Mark (Everest) recounted, “Where I really struggled personally was the external part, where we, as an organisation, sometimes met the world: the cynical, aggressive, competitive belief system that existed outside. That’s the hard part. It’s bullshit”. Similarly, while Adam from Chalmers was very committed to creating an internal workplace where people could develop themselves, the fact that many of the employees had different values and aspirations not only meant a lot of conflict internally, but on a personal level he became disheartened. A combination of which ultimately led him to forgo these efforts. He said,

There were just so many people that did not want to do it; they did not want to let go of their

silos, their individual bits and were unwilling to work in a team sense. They were much more self-orientated. They were all about profit, “own”.

Some participants also reflected an explicit understanding that pursuing an authentic existence may lead to an alienation from others. As Mark said,

When people start to get in touch with themselves ... they get happier, they feel more empowered, understand a lot more about who they are. But often what happens is that other people, who are still coming from that place of fear, their littleness and their victimisation, don't understand them and think they are “up themselves”. If you start to come from your values and your heart, you can actually separate yourself from a lot of others. But what you will do is find people that are of the same ilk, you change friends and relationships. (Everest)

As the data showed, for some participants the continued confrontation with (internal or external) others with a different values set or different aspirations, made it difficult to keep pursuing an existence in line with their higher aspirations and, like in the case of Chalmers, may have led participants to cease the pursuit of an authentic existence.

At the same time, while this is not discussed in current CSR studies, within an existential perspective the tendency of the sample businesses to move towards unity or community in relationships with others can be understood. This sense of community was, for instance, expressed in how participants spoke about the internal environment. As Kay said,

There's a very, very deep interpersonal connection within the community here at Affinity A couple of examples, we've had a few deaths among our ranks ... and I've never seen a group of people come together like here. We will come together praying, we'll hold hands It's that sense of communion that really binds us together in a very powerful but quiet way.

Similarly, as discussed in the context of Chapter 4, an understanding of being part of a community *with* external others was very clear from participants' comments. To refer back to an earlier quotation, Donna (PSG) explained how their willingness to accept tasks that traditionally sit with government “just comes from understanding that we are a community From a feeling of togetherness, this is *our* society”. Within an existential understanding this can be understood as the business, within the process of becoming authentic, moving into a transformed understanding of

their relationships with others and their environment. The sample businesses also displayed a movement away from separation towards community or unity with others in their approach (and practices offered) to both employees and external others. As described in Chapter 3, for instance, businesses actively seek to share privilege and power and diminish the differences between organisational members.

Also, as demonstrated by the practices described in Chapter 3 (e.g., “wildest imagination” courses, gap years), businesses seemed to place great importance on offering employees the opportunity to find and express what is of true importance to them. Employees are generally encouraged to question whether they still find personal fulfilment through their work within the business, rather than to “just keep going” for the sake of the business. Many participants expressed this sentiment explicitly, as Steven explained,

I would genuinely much prefer a really good person to work in another company or ... do something else, if they are going to be happier doing that We can help people realise, I believe, many of their dreams and aspirations ... but I’m not stupid enough to say that Landrijk is the panacea and there are many other things that people should do It’s a life-life balance.
(Landrijk Insurance)

Within an existential perspective the latter may be understood as an expression of wanting to guarantee for others what the founder/CEO, in his or her search for authenticity with the business, claims for himself.

Similarly, the search for partnership, where the business seeks to engage with external others on a relatively equal footing, can perhaps also be understood in the context of this theme. Within their own search for authenticity, the business is encouraged to guarantee a similar freedom for external others, rather than seeking to “control” or pursue power in external engagements.

Lastly, from an existential perspective the hesitance that participants displayed in judging anyone else in their “responsible” pursuits, could be understood as an understanding of the individual nature of any responsibility pursuit, but also an understanding of how easy it is to be inauthentic and fall down from one’s aspirations. As David from Prometheus said, “I’m always careful. I want to be as non-judgemental as I can be, I mean we like what we do, that doesn’t mean we have to disparage what somebody else does. There’s a delicate balance, and it works for us”.

7.4.5. Reflecting on the three themes: The importance of “humanising” the perspective on business

The sections above suggest that existentialism allows for a perspective on corporate responsibility in values-driven businesses that is more comprehensive, and therefore more meaningful, than the currently dominant economic/rationalistic perspective. For instance, within an existential perspective there is an acknowledgment of the beauty and depth of the business aspirations, as well as the suffering of the journey. It embraces an understanding of business as always becoming through its choices and is present to the ongoing and impermanent nature of corporate responsibility implementation. It also allows for the irrational, intuitive elements of the business experience to exist, and embraces the more subtle layers of the implementation process, like accepting “not knowing” and the importance of faith. It provides a deeper understanding of the movement within these businesses towards community and equality with others, and what drives them to let go of power and control.

It is important to note that while an existential lens appears more appropriate for describing the experiences of values-driven businesses than a “traditional” business lens, I do not argue that existentialism is the only, or even the best, lens for values-driven businesses. What I seek to indicate here is that there is a great need for a different way of looking at these businesses and for a new kind of language for talking about these businesses. These values-driven business are *not* “traditional” businesses and, as shown in the findings chapters, our “normal” assumptions about what business *is* and what it does, do often not apply. However, unless we shake ourselves out of these ideas, unless we consciously adopt a different perspective, for example by looking at these businesses from a human existential perspective, we may just simply perpetuate the idea of business as it is.

In fact, we may, through such rationalised perspectives on business “strengthen the management practices that we are all now so loudly condemning” (Ghoshal, 2005, p. 75). If, for a moment, I do not specifically focus on values-driven businesses, it can be argued that current business perspectives have created an overly rationalised “caricature” of what (most) businesses *are* and *do*; it has de-humanised business. And, it may be precisely this caricature that theorists present of business to others, that has informed “irresponsible” management practices that, for instance, emphasise the employee as an asset rather than a human being. As Ghoshal (2005) argues

Many of the worst excesses of recent management practices have their roots in a set of ideas that have emerged from business school academics over the last 30 years [For instance] In courses on organization design, grounded in transaction cost economics, we have preached the need for tight monitoring and control of people to prevent “opportunistic behaviour”. (p. 75)

If we accept John Maynard Keynes’ assertion that “the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood” (Keynes in Ghoshal, 2005, p. 75); then perhaps a human existential perspective on business that also takes, for instance, the beautiful and the generous of business into account, may inform a different, more responsible practice too.

In addition, an existential perspective does not just allow a more meaningful academic description of values-driven businesses but may also hold more meaning for various internal and external stakeholders of the business. On an organisational level, for instance, the acknowledgement of the fundamental tension that underlies human existence may help organisations make sense of hardship and struggle. As described in Chapter 6, several participants indicated how they felt dispirited at times by the fact that despite their “good” intentions their existence was such a struggle. Participants who understood “falling down” when pursuing aspirations as a normal part of the human experience, seemed to be better able to let go of disappointment and more resilient when faced with hardship. For Tom from Einstein’s Cycles, for example, the understanding of “falling down” as a natural part of the journey, rather than a “rejection” of Einstein’s efforts, gave him solace and helped him to go on despite the struggle. Similarly, while Rob (Whitcoulls Bank) obviously does not like “things going wrong” in the pursuit of sustainability, he is more “at peace” with this happening now that he understands this as a natural part of life.

In particular in relation to the work I do with sustainability; it goes wrong in so many ways. And I am now in a stage of my life where I think, okay [sounds resigned], maybe that is what is meant to happen ... That is of course a philosophical approach but it has a lot of consequences for me but also how the company may approach things and makes sense of things Life is not just about growing, improvement and getting better; it is also about struggle, fighting, hurting one another, falling back, frustration. It is all part of it.

In a similar way, understanding that, for instance, inauthenticity exists also creates more realistic, and therefore more meaningful, expectations of the values-driven business. This understanding is

particularly useful for external stakeholders, such as customers, the general public or those who write about sustainable/responsible businesses.

While many businesses *consciously* sought *not* to present an idealised view of what they are about (e.g., Whitcoulls Bank refused to participate in the Financial Times Most Sustainable Bank of the Year competition as this would create unrealistic expectations with customers and public), many participants mentioned that by simply “articulating the vision for social responsibility ... the spotlight would come on us” (Eden Breads). Oftentimes it is the external stakeholders themselves who place values-driven business on a pedestal and are keen to create, and maintain, an “ideal” picture of the business. As for example Warwick said, “Generally ... external stakeholders are slightly over-positive about us. They don’t see the warts I’m sure ... you can see what’s wrong with it but externally it’s perfect; that tends to be the image people have ... of Aroha”.

As Paul from Eden Breads experienced for instance, by placing the business on a pedestal however, any “failure” can easily become understood as a sign of a disingenuous business. In this way, external parties may create a “caricature” of both aspiration and failure (the business as either “all good” or “all bad”), and, unfortunately, it is this kind of unbalanced understanding of the business reality that may lead to cynicism towards businesses trying to “do good”. When external others acknowledge that to be human means to struggle and be imperfect, they may not judge the imperfections of business as harshly.

Finally, on a personal level, many times I felt very restricted in the concepts and language I could use in writing about these businesses within an academic business context. Much of what participants explained about what they did as a values-driven business and why, as well as how they felt about their business or how they went about decision-making, made complete sense on a *human* level. In other words, what they seek to do and how they go about it is really not so different from how, for example, me and my friends “go about” trying to lead a responsible or good life. Similar to what these participants described, in many ways it is about doing what feels right, what sits right in your belly; it is not about over-calculating what you do or how you do it, in many ways you simply try to follow your heart, while also calling on others, or God, or Gaia, to help you. As Mark said, when I asked him what advice he would give other values-driven business owners

They just have to follow their heart really. I would give that advice to anyone on the planet [laughs]. You really have to do what feels right, and get out of your head and get into your body. Just do what feels right. There is so much more intelligence in your heart than in your head [laughs]. (Everest)

And, like many of the participants described, you often struggle, you do not know what the right thing is, you lose faith that you are on the right path, you feel down and out, you question yourself. And, like many of the participants said, in trying to deal with the struggle of it all, you may simply open a bottle of wine, roll a joint or spend some time in meditation. However, while such things (e.g., feeling, faith, heart, struggle, meditation) are easily acknowledged and discussed within the context of everyday human life, somehow within an academic business context, these become contested or complicated topics to address. In the effort and frustration of creating a context or framework that would allow me to bring up these “normal” elements of human life, I felt I often lost the connection or passion to say what I felt was important. In short, a human existential language, in which all these elements of human life can exist and be freely discussed, would have created a more meaningful vehicle to express my thoughts within this research.

7.4.6. Further theoretical implications

For future CSR research and theory, it is suggested that scholars actively challenge their traditional business perspective and play with a perspective, like existentialism, which allows for the wider experience of values-driven businesses to be seen and understood.

It is important that CSR scholarship consciously moves beyond the rational, the visible and the economic, and widen their vision to include those aspects of business and the business experience that currently sit somewhat uncomfortably within the conceptualisation of (CSR in) business. This might, for instance, mean that within CSR research the importance and influence of faith in values-driven businesses is further investigated; not only in terms of having the courage to experiment with new or different CSR practices but also, on a leadership level, in terms of not “losing heart” when faced with adversity. Similarly, if it is accepted that the ability for employees to reference themselves, to get in touch with their heart and intuition, is an important aspect of values-driven businesses maintaining their authenticity towards their aspirations (e.g., as it is a requirement for making authentic choices, rather than following “the crowd”), then what might be some of the barriers for organisational members in accessing their inner knowledge? And how can such self-referencing be encouraged within business? While the importance of developing reflectiveness, mindfulness and “being present to one’s deeper awareness” in business is being explored within the workplace spirituality literature (e.g. Pavlovich, 2010), these topics receive very limited attention within CSR studies. Similarly, as also discussed in Chapter 3, if the importance of employees *knowing* who they are as a person and being able act on that knowledge (rather than being a good

“follower”) is acknowledged (e.g., as it allows them to alert the business when it is “falling down” or “falling short” from its aspirations), then how can gaining “self-knowledge” and speaking up about, or acting on, one’s own judgment, be encouraged within business? While this research provides some preliminary answers around this, further investigation is needed.

In addition, according to existentialism, what is of fundamental importance in being authentic, is the ability to *regulate* one’s responses in line with one’s higher aspirations, rather than blindly *reacting* to immediate impulses or desires (such as fear or greed), or to what is happening in one’s immediate environment (such as a crises). Since, as explained above, these immediate needs and impulses are generally focused around the preservation or enrichment of the self, rather than focused on others or the common good, this ability to step *back* from the pull of one’s immediate impulses is particularly important for a values-driven business that wants to make a contribution to others. For instance, if a manager of a values-driven business is suddenly faced with a sudden, dramatic declining demand for the business’ product, the *immediate* impulse, perhaps driven from fear, may be to protect oneself/the business and cut down on its expenditure towards social or environmental goals, and with that, move away from its higher aspirations. Authenticity would encourage this CEO to understand this human impulse, step back and review the situation with a degree of equanimity in light of the different demands and higher aspirations. A similar situation can be described when a manager within values-driven bank would stand to make a significant amount of money if she invests in a large clothing company; however, this clothing company is also known for its dismal treatment of factory workers. Existentialism would suggest that she takes a step back, reflects honestly on her attraction to the money within the context of the fundamental human tension, and then makes a considered decision on how to proceed. Interestingly, this ability to regulate one’s responses, rather than mindlessly reacting to impulses (such as fear), is within many wisdom traditions understood as spiritual or emotional maturity. In addition, the *cultivation* of such maturity is generally the focus of spiritual or personal practice; to learn to understand one’s drives, one’s reactions, one’s thoughts, but to not let them rule you.

The above suggests that spiritual or emotional maturity may be a core “competency” within values-driven business; and spiritual or personal practice (in its various forms, from religious practice to meditation) has an important role in maintaining the authenticity of the values-driven business. While this research did not provide sufficient specific data on this particular topic, I believe this is a core area for future research, not only for the development of businesses that are more responsible but also for the development of responsible *individuals*, both in-and outside the business. Future

research could explore the link between spiritual maturity and “responsible” decision-making further; and investigate what kind or form of practice would be suitable within a business context.

Another theoretical implication relates to business education, and the need to review *how* business is taught. After all, the perspective from which we teach people about responsible business will influence how future managers may approach the management of business. Within a rationalised, economic perspective, it is easy for CSR to become an abstract concept of what business is and should do. However, as this research shows, for participants CSR is not some abstract concept but a very human one, and in their approach to being responsible, they draw for a great part on the understanding of what it means to be a responsible and good human being. In their approach to business and others, they go back to what they know, as a human being, to be true and important for a meaningful life, and refer back to, what would I like to have done to me? The suggestion here is that scholars and educational practitioners review how CSR is taught in the context of these findings. What if business education stimulates business students to draw on their human experience to inform how they approach CSR. And, in preparing future managers for business challenges, also encourage them to reflect on what, again on a human level, would distract them from acting in line with their higher aspirations. As the findings show (and as alluded to in the previous point), the fruits of such reflections are relevant, as it is the moments in which the business becomes distracted from its aspirations and (for instance) acts on the impulses and desires of the business context in which they find themselves, that they move away from an authentic existence.

Finally, as also suggested by participants directly, there is a need for an exploration of a different business language, which can be used in both theory and practice, that allows for these human existential concepts to be expressed and discussed more freely. As for instance Tom said,

Business needs to come under the same sort of ... language we use in theology, in spiritual traditions, and religious traditions and stories, sacred narratives and all that: the language about divine love Business is more or less devoid of that kind of language and therefore of that kind of meaning

I am not interested in ... a theological language that we lay on business, I am interested in a language that rises out of a business community, which is a completely unique language.

(Einstein's Cycles)

For instance, the current “traditional” business language may not have the vocabulary to discuss the

purpose of business in the greater context of meaning, or to explain the fundamental human tension. While a spiritual or theological language may have words for this kind of topic, as Tom suggests, business scholars may help the business community develop a language that is unique and suitable to business.

Having described how an existential perspective allows for a better understanding of the responsible reality of the sample businesses, the next section focuses on the practical implications of an existential perspective.

7.5. Contribution of an existential perspective to the business practice

In this section I explore the contribution of an existential perspective on authentic existence for the business practice.

As in the previous section, I review the practical implications in relation to the three themes in 7.5.1 to 7.5.3 (*Inauthenticity is inevitable; Authenticity requires creating one's own meaning; and Authenticity does not imply goal and value congruence*). As with section 7.4, while I place insights under the most applicable theme, they can often be placed under more than one theme. Interestingly, and perhaps unsurprising, as is demonstrated below, many of the practices “suggested” from an existential perspective, are, to an extent, already adopted by the sample businesses. In 7.5.4 I reflect on the three themes in relation to the business practice.

7.5.1. Theme 1: Inauthenticity is inevitable.

If the propensity to lose truthfulness in relation to the aspirations is acknowledged, then the question for business is, how does the business prepare for this reality?

One element of this, is to build in mechanisms or practices that help the business to continuously orientate itself back towards its higher aspirations. Or, as John said, “It is important, with these kind of business ideals or aspirations, that you continuously keep it on the agenda You have to nurture that” (Pendragon). This can be done by seeking inspiration from similarly-minded external others (as many of the sample businesses already do), but also through, internally, encouraging the ongoing questioning of why are we here?; what are we about?; what is of core importance?; what do we seek to be?. This kind of active questioning can, for instance, take place on an ongoing basis in company meetings, such as regular team meetings, company retreats or reflective leadership

sessions. At Einstein's Cycles, for instance, where they are very conscious about "humbly going back to what they worship" (Einstein's Cycles), they have an "opening exercise" for their meetings that focuses them on their aspirations.

I would say our teams fall apart if ... they have begun to ignore what I would call, a sort of "opening exercise". An opening exercise meaning something that orients us back again to what we are about You just keep coming at it in different ways. But I would say, we are *always* coming back to that question of, who are we?; what is our orientation?; what is sacred to us?

In addition, as described in the previous section, business may become distracted from its higher aspirations when it comes under the sway of the goals or concerns of the business context in which it finds itself. To anticipate this reality the business needs to cultivate discernment towards its choices; this has to do with self-awareness, to see with clarity and honesty what motivation is behind decisions and actions and whether this is in line with the aspirations. Unless the business is aware of itself, the business is in danger of thoughtlessly *reacting* to whatever situation is in front of it, or to whatever desire or impulse may arise, rather than truly *creating* the business from the aspirations. For example, in an earlier mentioned example, Green Valley Organics got carried away while growing and that they unconsciously lost focus on the well-being of employees, which was part of their aspirations. In this case, they had failed to take a moment to look at themselves honestly, and reflect on: what motivates our actions right now? Who or what is being served by this growth, and is that in line with our aspirations? In addition, similar to what was mentioned within the context of Chapter 6, business can prepare itself for losing sight of the aspirations by considering the different scenarios under which it may be more likely to lose their focus. For instance, by looking back over past events, or by talking to other businesses, the business may be able to determine what may be the "at risk" situations and may therefore be more alert when they arise. As suggested earlier, when the business is growing fast, or when it is making money rapidly, it may be easy to become distracted by money and achievement.

Finally, if inauthenticity is inevitable, the business needs to be alert to "falling short" or "falling down" from its aspirations. Goodpaster (2000) talks in this respect about the need for a company culture to have "humility" (which, in the context of Chapter 4, was introduced as a "requirement" for openness to external others). Humility may manifest as a willingness "to be self-critical about gaps between the articulated core values and practice Awareness of falling short, together with a commitment to improving on the shortfalls, is understood and taken seriously" (p. 197). As one

participant said,

The whole idea of criticism, of constructive criticism, of loving criticism is really important. You have to hear both words: there is an embrace but there is also an expectation that you are going to bridge a gap between where you could be, your heroic potential, that we are always sort of decaying, falling down from what we could do, and then we lift ourselves up. And that is criticism; to bring you from here to here ... we believe that's absolutely core to who we are. (Einstein's Cycles)

Supporting practices may include asking candid feedback from internal and external others; this may include "regular exercises and audits designed to elicit from managers and other employees their perceptions of such gaps and their suggestions about repairing them" (Goodpaster, 2000, p. 197). As shown in earlier chapters, many of the sample businesses normalised and cultivated "self-criticism" by having open dialogues and debates within the company about things that go wrong or may not be as good as they could be. Some also mentioned company surveys (e.g., at Three Brothers, Aroha Events) or 360 appraisals (e.g., at The Owlery, generally focused on an individual level than on the company level) or just general company "performance" reviews at staff meetings.

7.5.2. Theme 2: Authenticity requires creating one's own meaning

If it is understood that being authentic requires the business to create its *own* meaning and make its *own* choices, rather than follow others or generalised handbooks, then the question for business is, how can this be supported?

One element of this relates to allowing space for "not knowing". As described in 7.4, making one's own choices generally means accepting uncertainty around what is the best course of action, and perhaps applying a "trial and error" approach. As Linda said, "How do you know that you are right? ... It's about living with the question because... if you have a value driven approach ... there is constantly an uncertainty" (Landrijs Insurance). Therefore, as Jackson (2005, p. 318), suggests,

The ability of business people to tolerate uncertainty is arguably an important characteristic to consider Individuals who cannot tolerate uncertainty close too quickly on solutions, are less prepared to consider all aspects of a problem, adhere too rigidly to a first solution in the face of evidence of better alternatives, and are less capable of recognizing the frequent need for compromise and "best fit" solutions.

Interestingly, many participants actively created space for “not knowing” and, unless it was absolutely necessary to make a decision right now, many allowed the time to “let things sit for a while” (The Owlery). As Pippa explained, within a meeting, they may bring up an issue and “then I might say, we deal with it in a months’ time ... see what everyone’s response is, see what our client thinks. I am a great believer of not fighting fire with fire”. Similarly, Kay said,

We try not to make decisions hastily, and we will push back, especially if it’s an external deadline that we’re responding to, if it doesn’t feel right we just won’t do it If it’s not something we have to absolutely make, we’re not going to. (Affinity)

In addition, when it is accepted that people need to make their *own* decisions within values-driven businesses, rather than mindlessly following what other businesses are doing, the business may need to cultivate or encourage self-enquiry and self-referencing in organisational members. After all, when confronted with decisions, people within business need to be able to “make their *own* judgments” (Einstein’s Cycles): What do I believe to be right in this situation? As also discussed within the context of Chapter 3 (as a requirement for a collaborative working environment), within values-driven business, employees “have got to reference yourself. So, what is the truth? I know the truth because ... it is what resonates correctly with me” (Everest). This may be encouraged by asking employees questions that encourage them to think deeply; by giving people space and time to reflect on their truth; or by reiterating that their opinion, their truth is important. As described in more detail in Chapter 3, several participants have adopted such practices.

7.5.3. Theme 3: Authenticity does not imply goal and value congruence

If it is accepted that it can be lonely and challenging to be confronted with others who have different values and goals, people (and perhaps in particular founders/CEOs) can anticipate, and perhaps avoid, becoming disheartened by such differences by actively seeking support from similarly minded others, in particular from those who are also in business or who have business experience. By, like many of the sample businesses do, joining sustainability networks or creating business groups, the support structure may be there *before* disappointment hits people too hard.

In addition, if it is accepted that values may not be aligned between people, instead of “pushing” for alignment, the business, in its communication with internal or external others, may focus on finding the common ground rather than pointing out differences. As discussed above, while pushing others to adopt certain values will, from an existential perspective, lead to inauthenticity, when people understand their *shared* destiny, they may experience a sense of community with others. As

discussed in Chapter 4, in their engagements with external others, such as with NGOs for example, many of the participants emphasised the shared purpose or the common good, rather than “fighting against” them.

7.5.4. Reflecting on the three themes: The importance of nurturing contemplative awareness

In concluding this section, similar to what was discussed in Chapter 5 (within the context of ongoing cycles of action and reflection), these practical implications all suggest that, in order to be authentic towards its values and commitment, it is important to nurture contemplative awareness in the business. All the themes emphasise that the business should not merely *react* to situations, impulses or desires, but built in a moment of pause, of reflection, of thoughtfulness. Such moments allow the business to, for instance, reflect on potential downfalls from aspirations (theme 1); to sit with uncertainty and not knowing (theme 2); or to be with others to receive support (theme 3) and to allow for community to arise with others (rather than pushing for it) (theme 3). In fact, Goodpaster (2000) argues that nurturing this contemplative awareness in business “helps organizations ensure their ethical integrity more than any preoccupation with rules, laws, and programs for policing wrongdoing” (p. 197). While “in our individual lives, few of us would have trouble appreciating how important it is to create regular ... opportunities for silence, reflection, and meditation on the meaning of what we do” (p. 196), business often suffers from “the pathology of activism” and displays “a lack of contemplative attention, as a consequence of the tendency to hyperactivism” (Verstraeten, 2002, p. 29). As, for instance, Mark said, “Who prefers to meditate rather than do the stuff that needs to be done in this economic world? We are so driven by this external stuff, which is this animal stuff. We are conditioned” (Everest).

While the challenge of bringing contemplation and reflection into business while also being in action was already discussed in Chapter 5, it is of interest to mention that some businesses appeared to nurture this contemplative side by actively bringing people in with a contemplative (rather than a business) background. Kay, for example, commented that it was a Business Professor in Organisational Development in particular (who came in as a consultant and was later hired as the one who guards the focus on culture within the three-headed leadership team) who stimulated thoughtfulness and critical contemplation within Affinity, for instance in relation to the possible tensions between “business” and “culture”. In addition, as explained before, Landrijk Insurance hired a business ethicist to help the business stay on the right track, and, as mentioned, this woman

had been priest for 16 years. As Linda explained, what Steven (the current CEO) likes about her is “that I am clearly from a very different background”; “because I came from a religious background, and I have a long academic background (Theology, Philosophy, Psychology). He sees that ... my perspective is ... quite different from the people that work here”.

Similarly, while Tom (Einstein’s) knows the importance of contemplating what they are doing, “this is very hard to do in a business environment because ... you are generally implementing so fast to maintain your efficiency and ... to stay alive, that you have *no* time for theory or reframing the reality”. Therefore, they engage in a regular reflective practice (with their Seeing Wholeness group) that actively encourages them to take a step back and “force(s) us to come up with a clearer theory, a greater consciousness of what we are doing, which makes us even better”. Interestingly, again, within this group many come from an academic or religious background.

The previous suggests that, on a practical level, people who do *not* come out of a business context but have a more *contemplative* background may perhaps be well placed to help the business nurture this contemplative side, and therefore help the business maintain its integrity. Values-driven businesses may do well by actively involving such parties within the business.

7.6. Conclusion

In this chapter I addressed the concern that essential elements of what CSR means and involves for these values-driven businesses may get lost within the dominant perspectives and language of both academic CSR research and the business practice. It was argued that, if the findings are reviewed within an economic, rationalised perspective, the generosity, the struggle but also the more subtle elements of CSR implementation, will most likely not be taken into account, which would lead to an incomplete and incorrect understanding of “radical” CSR. This chapter introduced a human existential lens, which concentrates on the human experience rather than a business experience per se, as an alternative lens to review the findings through. I showed, by reviewing the findings in relations to three existential themes on an authentic existence, that an existential perspective is well placed to honour the richness and depth of CSR as it was described by these values-driven businesses. I argued that there is an important task for CSR scholars to explore such fundamentally different perspectives on CSR and business if they really seek to go beyond a currently dominant concept of CSR, which, in many cases, is more akin a strategic management tool than a proposition for a radical, new way of being in business. It was also shown that existential thought can offer valuable insights into CSR implementation and how a continued focus on a responsible existence can

be maintained.

Chapter Eight: Conclusion

8.1. Overview

In this thesis I explored exemplary values-driven businesses with the aim of providing insight into corporate responsibility not primarily as a means towards commercial ends, but as an expression of the aspiration to “do good” and create social and/or environmental value. First, by exploring what exemplary values-driven businesses do and why, I sought to create a more “radical” understanding of corporate responsibility, which could engender hope rather than cynicism. Second, by paying particular attention to experienced tensions and compromises when implementing the various, often conflicting, commitments and demands, I sought to understand the challenges in bringing their aspirations into reality. This second point served to inform a “realistic” rather than a utopian understanding of CSR. I hoped that this would inform a conceptualisation of CSR that is of both theoretical and practical relevance.

In section 8.2 I reflect on the overall contribution of this research to CSR theory. In section 8.3 I reflect on the main practical contributions. In section 8.4 I give a brief overview of the contributions to other, non-CSR, literatures. 8.5 then provides a final reflection on how I met the quality criteria of grounded theory. I conclude this chapter with a reflection on my personal journey during the research process (8.6).

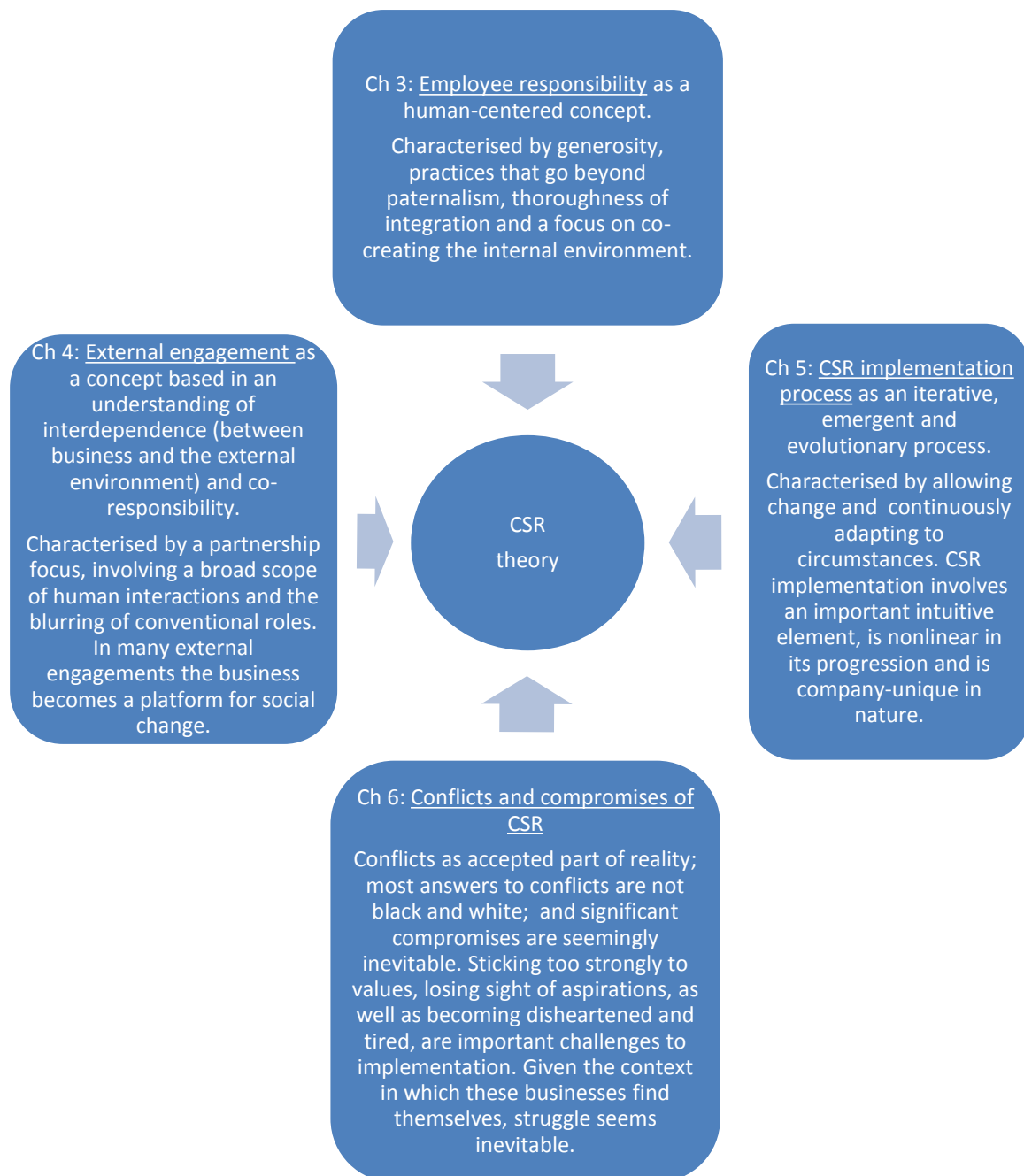
8.2. Contribution to the CSR literature: Radical Corporate Responsibility

While within the context of the individual chapters various literatures were reviewed, the main theoretical framework (as outlined in 1.3) chosen for this research was Corporate Social Responsibility (CSR) and this thesis aimed to contribute to this particular field. In 8.2.1 I summarise the contributions of the individual chapters to CSR theory, and in 8.2.2 I reflect on the *overall* contribution of this research to CSR theory *as a whole*.

8.2.1. Summary of the contributions of the individual chapters

In the previous chapters the data revealed several important insights not currently addressed in CSR theory. In figure 8.1 an overview is given of the topic/contribution of each of the findings chapters.

Figure 8.1: Contributions of the individual findings chapters to CSR



A quick overview of the contributions of these individual chapters:

Chapter 3, *Employee responsibility in values-driven businesses: A human-centred approach*, focused specifically on the employee and the internal social environment, and with that, “responds” to the lack of CSR studies that take the employee as unit of analysis. It introduced employee-responsibility as a human-centred concept, which is focused on what is inherently best for the employee as a human being, rather than what may ultimately “profit” the organisation. It showed this human-centred employee responsibility to be generous and its practices often non-paternalistic in nature. Employee responsibility is not just an add-on to business as usual but is thoughtfully integrated within a wide variety of the organisation’s structures, processes and practices; it often becomes shared between organisational members rather than sitting with leadership alone.

In Chapter 4, *No company is an island: External engagement as corporate co-responsibility*, the focus was on the relationship of business with the external environment. While this relationship is commonly conceptualised within CSR through stakeholder theory, this research went beyond such a stakeholder understanding. It introduced a concept of external engagement that is grounded in an understanding of interdependence between the business and its external environment; and is characterised, among others things, by a partnership focus and as involving a broad scope of human interactions beyond “formal” business engagements alone. It introduced CSR as not just a *business* responsibility but as a *co-responsibility*: without the active involvement of external others, who (also) step beyond their conventional roles and offer their contributions, values-driven businesses will remain limited in their ability to fulfil their social and environmental commitments. Business and external others *need* to stand together to effect social and environmental change.

Chapter 5, *Beyond the holy grail of CSR implementation: CSR as an emergent and evolutionary process*, focused specifically on the process by which CSR is planned for and implemented, an area very much underexplored within CSR theory. It showed CSR implementation as an iterative, adaptive, organic process of constant learning, which is very much company specific. It showed that what is important in CSR implementation is not following grand, rationalised or systemised implementation frameworks, or implementing certain, “final” solutions; instead, key to CSR implementation is to *allow* change and adaptability. In other words, it is through ongoing cycles of implementation, review and adjustment that the company ensures it stays responsive in its actions to the changing internal and external conditions and demands, and thereby remains “responsible”.

Chapter 6, *Between utopia and reality*, specifically addressed the conflicts and compromises of values-driven business. Similar to most of the topics addressed within this thesis, the predominant focus within current CSR theory on win-win situations means that the conflicts and compromises involved in CSR implementation have received surprisingly little attention. This chapter showed conflicts and compromises as an accepted and normal part of the values-driven reality, and that most answers to conflicts are not black and white. While values-driven businesses are capable of managing many of these conflicts by taking a pragmatic, intuitive and/or creative approach, it also showed how significant compromises seem inevitable. It showed that sticking too strongly to one's values (and not properly attending to the commercial side of business) or losing sight of aspirations, as well as becoming disheartened and tired, are important challenges to being values-driven, which are currently not addressed in CSR theory. It is such challenges that, often subtly, can move the business away from its aspirations. While it was suggested that business can, for example, anticipate compromises (and mitigate their impact) or anticipate losing sight of certain business needs/aspirations, it was also argued that the ongoing struggle of integrating various values and commitments is in part *caused* by the context in which these businesses find themselves. Given that this context often does *not* support, or even works against, the values and aspirations these businesses pursue (e.g., financial markets that do not value patient capital, a lack of engaged shareholders), the responsibility for fulfilling their social and environmental aspirations cannot lie with the business alone. Again, similar to what was mentioned previously, for the "successful" implementation of CSR, others in society, such as government or educational institutions, need to step up to their responsibilities and evaluate which changes are necessary in *their* systems and actions, as well.

In Chapter 7, *An existential perspective: Embracing both the beauty and struggle of values-driven businesses*, I argued that within the currently dominant perspectives of CSR research, both the beauty and the struggle of values-driven business will most likely get lost. This chapter showed that an existential lens, which places the pursuit of CSR within the context of the *human* experience, is well-placed to honour the richness and depth of CSR in values-driven businesses. Fundamentally different perspectives on CSR and business, such as a human existential perspective, are necessary for the conceptualisation (and practical implementation) of CSR as a radical, profoundly different way of being in business.

8.2.2. The overall implications for CSR theory: Radical Corporate Responsibility

While specific theoretical implications are discussed within each of these individual chapters, some *overall* implications of this research for CSR theory can also be identified. In fact, the CSR theory as well as the concept of CSR proposed in this research are in several ways *fundamentally* different from current CSR theory. As shown in the various chapters, the findings of this research dispute some of the main, and seemingly engrained, assumptions of what motivates CSR and what it should entail.

One, where current CSR studies place business at the centre of theory, the CSR theory proposed in this thesis emphasises that the business is *not* the sole centre subject or focus of CSR. This relates for instance to the tendency within current CSR to focus on the *gain* of CSR *for business*. Within the CSR theory proposed here, however, CSR is a concept that is not primarily or solely focused on the business but focuses on providing service and betterment for *others*. In this way business becomes a platform for social or environmental change. This point also relates to the tendency within current CSR theory to see CSR as a *business* responsibility alone. The CSR theory proposed here, however, presents CSR as an inherently *shared* responsibility (co-responsibility) that requires the active involvement of other, internal and external, parties. It stresses the importance of the business standing *with* internal and external others and the need for these other parties to step up to their responsibilities as well.

Second, where current theory, in theorising the relationship between the business and others, almost unquestioningly accepts the assumptions of “traditional” stakeholder theory (related to the pursuit of legitimacy and the need to mitigate stakeholder threats), this new theory presents a different set of assumptions that underlie these relationships: interdependence and human-centeredness. In relation to the first, it argues that within both its internal and external interactions business is driven by an understanding of “we are all in it together” and the need to work together for the benefit of all. Within this theory the emphasis is not on the “management” or “control” of others, but on equality, partnership and collaboration. In relation to the second assumption, in the approach to internal others an understanding of *human* needs and requirements is taken as a starting point. Similarly, the engagement with external others does not just include “formal” business transactions but involves a broad spectrum of *human* interactions.

Third, where current CSR theory understands CSR within a *business* context alone, this new CSR theory argues that CSR in values-driven business is best understood within a much wider context: it places the pursuit of CSR within the wider *human* experience and sees it as an expression of the

desire to live a worthwhile and meaningful life in business. In this way it presents a concept of CSR that is *humanised* rather than *technicalised*.

Fourth, many current CSR studies place primary importance on formalised CSR practices or frameworks and see implemented practices, statements or procedures as the successful implementation of CSR. The CSR theory proposed here argues that “successful” implementation of CSR is by nature always *to come*. It is within the *ongoing* and *iterative* nature of implementation, reflection and adjustment of practices, that responsiveness to the internal and external requirements and demands is maintained. While formal practices and procedures may be adopted to support the process of CSR, it is the active and ongoing questioning of what the company stands for, and whether it is expressing that in its actions, which is key to CSR implementation. In fact, the proposed CSR theory warns that formalised practices may *distract* from this continuous questioning, and may therefore impede on “being responsible”.

The previous suggests that we may see a split in future CSR theory: Strategic CSR and Radical³⁹ CSR, each based on a different paradigm, reflecting fundamentally different assumptions about the role of business and its relationship with society and the natural environment.

On the one hand, Strategic CSR continues to theorise CSR as essentially a strategic management concept in which CSR is an add-on to business-as-usual. Radical CSR, as it emerged from the research, on the other hand, moves away from a theorisation of CSR as business-as-usual and points towards corporate responsibility as a profoundly different way of being in business, which may require a fundamental redesign of the business’ practices in line with its social and environmental values. For a comparison of the assumptions underlying both “Strategic CSR” and “Radical CSR”, see Table 8.1.

Radical CSR theory does not only challenge the currently dominant assumptions of CSR theory and research, but essentially questions the fundamental premises on which (the concept of) business and our societal systems are based. For instance, Radical CSR moves away from a traditional concept of business as a capitalistic entity and explores business as a platform or enabler for social/environmental change. As alluded to in an earlier chapter, if we look at the changing “boundaries” around the values-driven firm, with its openness to external others and its willingness to accept roles *beyond* being an economic actor; the question can be asked, are we actually still talking about a concept of business as we currently know it? Or will, in the pursuit of a more

³⁹ As explained in Chapter 1, the term “radical” is used here in the meaning of “relating to or affecting the fundamental nature of something; far-reaching or thorough” (Oxford Dictionary of the English language).

responsible, more nurturing relationship between business and its environment, the conventional conceptualisation of business become redundant?

Table 8.1: Comparison of assumptions underlying Strategic CSR and Radical CSR

	Strategic CSR	Radical CSR
Place of business within theory	Business is central focus of theory <ul style="list-style-type: none"> ▪ Focus on “gain” of CSR for business ▪ CSR as <i>business</i> responsibility 	Business is <i>not</i> sole centre focus of theory <ul style="list-style-type: none"> ▪ Focus on betterment of others/environment: Business as platform for change ▪ CSR as <i>shared</i> responsibility: Corporate <i>Co-Responsibility</i>
Relationship between business and others	Relationship based on “traditional” stakeholder theory: focused on pursuit of legitimacy and mitigating threats <ul style="list-style-type: none"> ▪ Focus on management/control of others 	Relationship based on understanding of <i>interdependence</i> with others/environment; focus on <i>human-centeredness</i> <ul style="list-style-type: none"> ▪ Focus on partnership and collaboration
Context of CSR	Understands CSR in <i>business</i> context <ul style="list-style-type: none"> ▪ Technicalised understanding of CSR 	Understands CSR in wider, <i>human</i> context <ul style="list-style-type: none"> ▪ Humanised understanding of CSR
CSR implementation	Emphasises <i>implemented</i> CSR practices, statements and procedures as successful implementation <ul style="list-style-type: none"> ▪ Standard/formalised practices ▪ Outcome focused 	Emphasises <i>ongoing</i> and <i>iterative</i> nature of CSR implementation as successful implementation <ul style="list-style-type: none"> ▪ Ongoing questioning is key ▪ Process focused

Drawing on the previous chapters, some key suggestions for further research can be identified. One, the need to collaborate with others in both scholarly and practical fields. These collaborations can help business scholars to “draw” themselves out of (deeply) engrained thinking patterns about what business is and what it should do. In addition, if it is accepted that CSR is a co-responsibility that requires business to stand with others, such collaborations may allow for expertise to be shared and allow people to work together towards sustainable “solutions”. For instance, CSR scholars may work with business education providers to establish a more human-centred approach to CSR/business education, or CSR scholars may work with experts in the field of non-profits to investigate what may contribute to open and fruitful relationships between business and NGOs.

Second, I proposed that CSR scholars, while developing theory, stay engaged with the business practice and verify their ideas with those in values-driven business. This will allow the development of theory that is relevant for the business practice and may also prevent theorists to become stuck in certain assumptions.

Third, in terms of research methods, as addressed in Chapter 6, this study suggests that the currently dominant methods of business research may be too dualistic in nature to capture the reality of values-driven businesses and that new, less-dualistic, research methods may need to be developed.

8.3. Contribution to CSR practice

Within the individual chapters several practical implications of this study were mentioned.

While I will not review these here in detail, it is of interest to note that many of the practical implementations suggested are focused on “attitudes” or “ways of being” that are relatively unusual or uncommon within the context of business. For instance, openness to others was repeatedly mentioned as an important aspect of CSR. Whether in terms of opening the books so that employees can participate in decision-making, or openness in terms of sharing one’s experiences with competitors, this attitude of openness is quite different from the attitude of “protectiveness” generally promoted within business.

Similarly, the importance of humility was repeatedly mentioned as a practical “requirement” for CSR. It is by actively practicing humility that values-driven businesses can stay present to what they do not know (yet), and it allows them to be open to criticism or advice from others. However, showing humility in terms of, for instance, one’s capabilities is not something which is common or natural in the way business, as well as organisations in general, currently operates.

In addition, the importance of bringing reflectiveness and contemplation into the business (practices) was recurring in most of the chapters. For instance, it is the reflection on past actions that allows for the adjustment and refinement of CSR practices; it is reflection on where the business may “fall down” from its aspirations that allows the business to prepare for scenarios of compromise. As addressed in Chapter 5, an attitude of reflectiveness, however, is not common nor easily adopted in business, where speed and (hyper)activity is generally emphasised.

It is unsurprising therefore that the practical implementation of Radical CSR requires not only the implementation of practices and processes that are perhaps unusual in the business environment

(e.g., moments of silence, meditative practices) but also the development of skills and abilities within both leaders and employees, which are quite different from what is currently emphasised or valued in business. For instance, in relation to employees, it seems less important in these businesses to be a good “follower” who responds well to authority, and more important to know oneself and know what one stands for. Similarly, rather than directing people and events, this research indicates that being able to let go of control and putting oneself in service of others is an important leadership skill. As mentioned throughout the chapters, many of the skills required for both leaders and followers require a degree of self-knowledge and personal maturity, which may be enhanced through self-reflective practice.

Finally, CSR is about *co-responsibility*. On a practical level this means that *others* within society (e.g., customers, the general public, government) need to understand *their* role in helping the business fulfil its social and environmental aspirations and need to “step up” to this responsibility. As mentioned, this generally involves these external others to go beyond conventional roles or attitudes. For instance, to provide values-driven businesses with the information they need to fulfil their environmental or social commitments, NGOs and activists need to move away from being “antagonists” and accept their responsibility as partner to business and information provider. Similarly, to assist business in staying on track, customers need to go beyond their role as “passive” purchaser and become “thinking partners” with business. Overall, co-responsibility requires a shift in awareness from those around the business; to understand themselves as an integral part of the successful fulfilment of the values-driven pursuits.

8.4. Contribution to other literatures

In this section I briefly come back to the contribution of this research to some of the “other”, non-CSR literatures as discussed within the context of the different chapters. I briefly address here the contribution to the Humanistic Management literature; the Social Partnership and Collaboration literature; and, finally, to “the” literature that applies existentialism to business.

It should be noted that the boundaries between what is, and what is not, CSR theory are not clearly drawn.

8.4.1. Humanistic Management literature

It was suggested in Chapter 3 that this study makes an important contribution to the current Humanistic Management (HM) literature. HM promotes a human conception of the employee as a starting point for business and management, and argues that this holds important implications for the business practice. However, the majority of these studies remains theoretical and somewhat idealistic in nature, and therefore fails to provide a practical and actionable understanding of HM. This research provides empirical insights into *actual* HM practices and, with its emphasis on challenges and struggle, can provide a more comprehensive, and more realistic understanding of HM.

8.4.2. Social Partnership and Collaboration literature

This study suggests that social partnership and collaboration studies *widen* their understanding of what *kind* of partnership and collaboration they consider and explore, since they currently only address a small portion of the relevant social partnerships and collaboration initiatives. For instance, this study includes, but goes beyond the *planned, formal* and *structured* partnerships that the current literature focuses on, and shows that engagement for social purposes generally involves a broad variety of human interactions between parties, including *informal, ad-hoc or irregular engagements*. Similarly, it widens the understanding of social partnership *beyond* cross-sector engagements and shows that social engagement may also include working with people within the same sector (e.g., like-minded businesses owners or even competition), often without commercial return. This study suggests that for a comprehensive organisational theory on engagement for social or environmental purposes, these kinds of engagements *and* their specific requirements need to be taken into account.

In addition, there has been a call within the social partnership and collaboration literature for a more *integrative* approach to social collaboration, which reviews the implications of social engagement on an organisational level, but also takes the implications on a social issues and governance level into account. By including a reflection on the social and sectoral implications of external engagement (e.g. shifting boundaries of conventional roles), this study provides a starting point for an integrative conceptualisation of social partnership and collaboration.

8.4.3. Literature that applies existentialism to business

As a final note to this section, it could also be argued that this study makes a contribution to those studies that are applying existential thought to organisations. While this is not a body of literature as such, the three existential themes introduced in this research may offer a starting point for further research into the applicability of existential perspectives for the study of responsibility and business. While, as discussed in Chapter 7, existential thought is currently applied to organisational topics such as leadership and business ethics, studies that explicitly combine existential thought and CSR are, as yet, non-existent.

8.5. Reflections on the grounded theory quality criteria

Grounded theory was adopted as the research methodology. As mentioned, within grounded theory research “conventional” quality criteria such as validity, reliability or generalisability are less appropriate and within the Methodology chapter I referred to the four alternative quality criteria suggested by Glaser and Strauss: fit, work, relevance and modifiability. In addition, I discussed two additional quality criteria, reflexivity and relationality, which are suggested for grounded theory done within a constructivist paradigm. I briefly discuss these criteria here, and in what ways I feel I have, or have not, fulfilled these.

In relation to the first four (fit, work, relevance and modifiability), as explained in the Methodology chapter, within grounded theory it is understood that these criteria are fulfilled if the key grounded theory processes of constant comparison (which includes the process of coding) and theoretical sampling are followed correctly. As also outlined in that chapter, I could not fulfil the ideal of fully open-ended theoretical sampling within the international sample phase as I was limited by the practical reality of having to plan my research travels.

The criterion of “fit” requires that theory has a close fit with the data, and emerges from the data rather than from preconceived ideas. Through the process of testing emerging ideas and themes within the interviews I sought to ensure that the theory developed fits their business reality. As discussed in Chapter 6 (6.3.3), for instance, by repeatedly looking at the data, checking in with participants and being reflexive about my initial assumptions, I unearthed some preconceived perspectives/ideas. One related to my assumption that participants would see their various values and commitments as “discrete” (this versus that) rather than “holistic” (this and that). The other

related to bringing an unquestioned cynical (rather than open or neutral) view on business to the research. Despite my efforts, however, I may not have unearthed all my preconceptions. Inherent in any stage of life we seem to be blind to certain aspects of ourselves, or to certain frameworks of thinking, and I have no doubt that looking back in a few years' time I can see other preconceptions I brought to the research with more clarity. At the same time, I believe that through the numerous in-depth conversations with participants, in which I continuously tested my emerging ideas and in which participants placed much emphasis on being properly understood, I succeeded in developing theory that has a close fit to the data.

The quality criterion "work" relates to theory having explanatory power in relation to the phenomenon under study. As shown in Chapter 3 and 4, for instance, I sought to go *beyond* "thick" description of the actual practices mentioned by participants, which would have had limited explanatory power, and enquired into what *motivated* the implementation of such practices on a deeper level. Through continuously testing the data against my tentative theoretical ideas of "why" they did what they did, I sought to ensure this explanatory power.

The criterion of "relevance", that the theory is of use and relevant to those under study, is perhaps a little more tricky to "prove". Again, according to grounded theory, if you follow the method of constant comparison and theoretical sampling, this will be an outcome. While the relevance of this research will need to be proven by additional, practice-focused research, it is also clear (from, for instance, the practical implications sections of the different chapters) that throughout this thesis numerous suggestions for practice flowed naturally from the findings.

I believe this work is readily "modifiable", the fourth criterion. I am conscious that this is exploratory work, which needs to be elaborated on and which requires further investigation, as also indicated in the various suggestions for future research and the mentioning of this study's limitations.

In relation to incorporating "reflexivity" (the first additional criterion for a study that takes the influence of the researcher into account), through reflexive notes in the research diary I sought to explore how my perspectives and intentions influenced the participants. As explained in the Methodology chapter, when I reflected on the "distance" I felt between a certain participant and myself, I realised that this may have been caused by my underlying, unquestioned attitude of "distrusting" participants in relation to their good intentions. By consciously changing my intentions I noticed a shift in the relationship with participants, and therefore in the data collected. While I think I am a relatively perceptive and reflective person, similar to what was discussed in relation to "fit", I know I am limited in uncovering all my underlying perspectives and all the ways in which they influenced the findings. In particular, I believe that there is much more between people than we

know, and much of our influence on one another is subtle.

Finally, the criterion of “relationality” (the second additional criterion for a study that takes the influence of the researcher into account) refers to creating trust and depth in the relationship with participants. I feel that I was successful in creating meaningful and open relationships with participants in which there was a sense of trust and things could be shared. I also had the impression that most participants liked me, enjoyed talking with me and felt at ease within the interview. This was something I sensed but this was also confirmed by participants giving me a hug after the interview, by participants openly expressing emotions (a few cried when sharing certain events) or by participants inviting me to a company family day. Many of these things, I felt, went beyond just “being polite”. In terms of meaningfulness, several expressed their gratefulness for me showing an interest in what they do. While some of the sample businesses receive quite a bit of media attention and were perhaps a little blasé about “doing another interview”, others expressed that the interview had been useful for them. For instance, Marianne (Mulberry Grove) and Adam (Chalmers) both mentioned how the interview helped them gain clarity about where they were at with the business and where they wanted to go. Similarly, Tom from Einstein’s Cycles said that the interview made him realise that he should perhaps be more intentional about certain processes. On the other hand, not all relationships were equally “equal”, which is another aspect of “relationality”. For instance, one participant had qualities that in some ways reminded me of my father, which, quite subtly, made me feel more like a child and less confident in asking the questions. As a result I may not have pressed him enough on certain issues and, at times, let him continue on a certain train of thought whilst I should have really brought him back to the topic. Similarly, one participant was close my own age and this made me, as I realised when I listened back to the interview, quite “giggly” and perhaps more prone to “trying to be funny”, and less to the point. He might similarly have been more prone to showing off. Both these situations would have influenced what data were gathered.

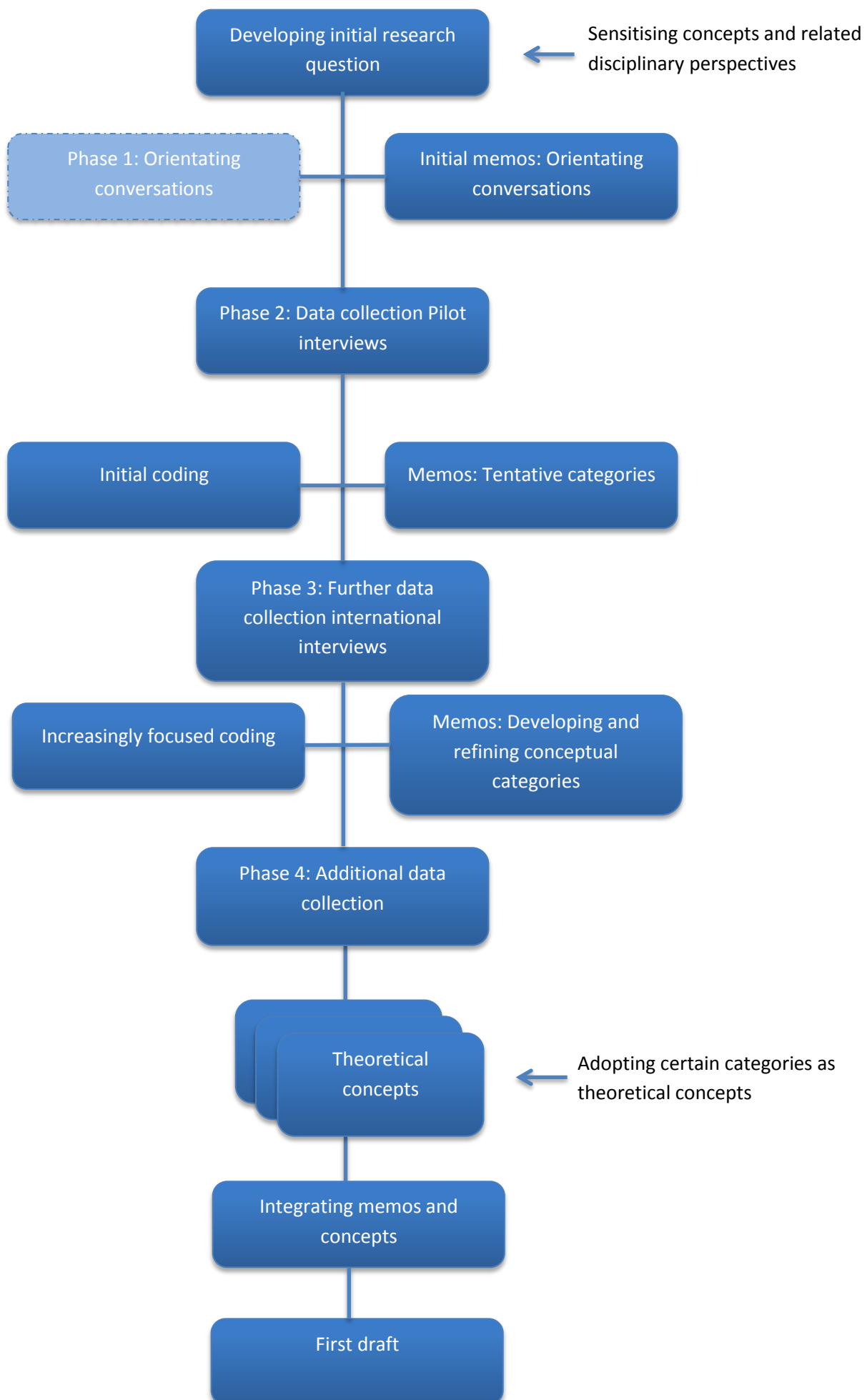
In summary, for me it is clear that the whole process of collecting data, analysing data and developing theory is very much a human endeavour with many different aspects of our humanity coming “into the mix”. I have, to the best of my ability, tried to be conscientious and reflective in this process; not just because I know that that is an element of “good research” but also because I naturally struggle with telling (or writing) half-truths. At the same time, there is no doubt that there is much I have been blind to and much that may be improved on.

8.6. Personal journey

As mentioned in Chapter 6, on a personal level, this journey started with a question of how to live with integrity to my values and commitments. To provide a reflection on whether I gained any insight into this question, I first need to explain something else. In the early stages of this Ph.D. I intuitively knew that, if I were to write anything of value, I would need to nurture my heart and not just “be in my head”. I was not sure how I would do that but not long after I started this research, I also serendipitously came across a yoga tradition that resonated with me and that set me off on a journey of intense personal reflection, discovery and development. I began to see with more clarity what motivated my actions, how my thoughts worked and how to discern when I was driven by love or by fear. However, I realised that none of this taught me how to live “perfectly” in line with my values. Instead, it taught me to be more fully and honestly human; to *see* my grace and also where I “succumbed” to gravity, and to *accept* my beauty as well as my struggle. As a result I am still concerned with living with integrity but less with doing things perfectly. I came to understand on a deep experiential level, that to be human is being imperfect and that that is okay; that I am okay - in all my mistakes and my inability to apply my values in everything I do. My integrity in life is reflected not in a perfectly lived life, but in my willingness to look at myself and my actions with clarity and to not judge what I see, but to love myself in all that I am.

Appendices

Appendix 1: Overview research process



Appendix 2: Conversation guides for orientating conversations (Phase 1)

These questions served as a broad guide. The aim was to have an open conversation to see what might arise in relation to corporate responsibility/sustainability.

New Zealand conversation guide:

1. What is your background? What do you do? What is your business/research focus?
2. Is there an underlying ideal to your business?
3. How are you involved with sustainability/corporate responsibility? What is your personal motivation to be involved with sustainability? What are your sustainable business goals? How are they integrated in your daily decision making?
4. Practice based question: You indicate [on your website/ in your company documentation/in your email] that you are committed to [e.g., 100% local production], does that always work out?; You indicate [on your website/ in your company documentation/in your email] that you are committed to [e.g., maintaining your own way of operating in the market place], what does “your own way” mean in the business practice?
5. What do you consider the challenges of business organisations working towards sustainability/business responsibility?
6. Are there any ethical/moral dilemmas or trade-offs that have you identified in your work?
7. What could help/assist your organisation/businesses committed to CSR to do better? Where do you find support?
8. What is your aspiration for the next 5-10 years? How would you like to see your business evolve?
9. Suggestions for research? E.g., suggested the research focus.
10. Suggestions/examples of exemplary/outstanding responsible businesses? What do you see as an exemplary business?
11. Do you know other people I could have conversations with? Inspirational, cynical, business owners, etc.
12. Are you hopeful about the future of business?
13. Academics only: Suggestions for identifying businesses appropriate for study? Suggestions for research design?

The Netherlands conversation guide⁴⁰:

1. What is your background? What do you do? What is your business/research?
2. What is your experience with CSR in business?
 - a. In your experience, how to businesses approach the integration of this “additional” (environmental/social) dimension?
 - b. Do you see any tensions between the financial needs and requirements of the business and the social/environmental ones?
 - c. If yes, how are they expressed? Can you name a few?
3. Is CSR/sustainability “alive” in The Netherlands?
 - a. Are most businesses concerned with CSR/sustainability or is it the concern of a select few?
 - b. Can you identify certain trends within CSR/sustainability?
 - c. In your view, does this trend express a concern with a better world? Or is it a “image” driven? Or is it considered a “normal” part of business?
 - d. Is CSR promoted/viewed as a “win/win” for business?
4. Consider the concept of “a new business paradigm; what comes up for you?
5. Examples of exemplary/outstanding sustainable businesses in The Netherlands?
 - a. How would you “define” an exemplary responsible business?
6. In the Netherlands, are there any organisations concerned with promoting or developing responsibility/sustainability in business?
 - a. Are there network organisations?
7. In your view, what could assist or help businesses to become more sustainable?
8. Can you recommend any other people I could have conversations with? Inspirational, cynical, business owners, etc.

⁴⁰ This guide was translated from Dutch.

Appendix 3: Pilot sample

Company name	Industry	Founded	Employee number	Ownership structure	Participant Name	Founder	Position
Einstein's Cycles	Bicycle dealer and retailers	1928	55	Privately owned by managing families. In 2010 ownership transitioned to Employee Stock Ownership Plan (ESOP)	Tom Harper	No	CEO
Three Brothers	Craft beer brewer	1994	260	Privately owned; as per May 2013 100% employee-owned	Christine Young	Co-founder	CEO
Aroha Events Company	Events organisers	1990	35	Privately owned: 69% founder; 23% angel investor and rest by associates, friends and employees	Warwick Allfrey	Yes	CEO
Chalmers	Refrigeration and air conditioning maintenance	1992	100	Privately owned: 82.5% owned by founder and family; rest by others	Adam McIntyre	Yes	Managing Director
Aveda Organics	Organic body and skincare	2000	13	Privately owned by founder and angel investors.	Jeremy Senf	Yes	CEO

Appendix 4: Interview guide pilot interview/session 1 (Phase 2)

This is only one example of a “session 1” pilot interview guide; each guide was adjusted to the participant/business. In addition, guides developed over time. This was version 4.

1. Introduction:

- a. Agree to recording?
- b. Thank you for participation.
- c. Explanation of research topic and background
- d. Explanation of confidentiality/anonymity
- e. Any questions?

2. Background information: e.g.,

- a. Position within business, current activities
 - i. Years in current position
- b. How many employees?
- c. Ownership structure
 - i. Who are the shareholders?

3. The story of the business/journey with the business/purpose-vision-values

- a. For founder: What drove you in starting the business? What contribution were you looking to make when you started? What was the main purpose of the business?
- b. For non-founder: Which values of [company x] attracted you? What contribution were you looking to make?
- c. What are the main values/commitments of the business?
 - i. What are some of the main ways in which the values are expressed?
 - ii. Who decided on these?
- d. I read somewhere that you said, “Sustainability is a journey not an end point”. Can you tell me about the sustainability journey with [Company x] from your personal experience?
 - i. Story of company
 - ii. How did purpose/values/commitments develop over time?
- e. Your sustainability focus seems quite comprehensive now

- i. When did you broaden your horizon? How was that brought to your attention? Why and by whom? What happened?
- f. You have grown over the last years (sales and acquisitions), so I can imagine that the parameters that you operate on need to be a bit different than they were. What has changed?
 - i. How do you stay alert to gaps between values and practice when you grow?
 - ii. If your company would not live up to its values, how would that be brought to your attention?

4. Experience of tensions/dilemmas/inconsistencies:

- a. Even though a business like yours is values-driven, there have must have been times when you experienced a gap/tension between core values and the actual (conflict between your ideal and your business demands). Can you tell me of such times?
 - i. Between what and what?
 - ii. What happened?
 - iii. Why did you decide this?
 - iv. How did you decide? Was anyone else involved?
- b. Are these discussed internally? Who with?
- c. Can you give me another example of a situations where you felt there was a tension between the different commitments of your business
 - i. Between what and what?
 - ii. What happened?
 - iii. Why did you decide this?
 - iv. How did you decide? Was anyone else involved?
- d. Were any of these dilemmas/conflicts challenging for you personally? In what way? How did you make sense of them?

5. Discussion of dilemmas/challenges/tensions

- a. Do you discuss these kind of dilemmas or challenges you have with your employees? Why/why not?
- b. Do you discuss dilemmas or challenges you have with your peers? Why/Why not?

6. Employee selection and values:

- a. When you hire new employees, is your selection of staff based on values or interests? What practices/systems do you use? How do you ensure that overseas?
- b. How do you ensure values and commitments are known to new employees?
- c. Can you explain to me how you keep your values/commitments “alive”? Do you have conversations about the commitments and values of company x?
 - i. In what forum?
 - ii. Do you revisit them?
 - iii. Do you disagree? E.g. people having different values. Then what?

7. Looking back

- a. What do you see as one of the biggest obstacles in creating a sustainable business?
- b. If you were to advise an aspiring entrepreneur, what would tell him? What would inspire him and what would disappoint him?
- c. It must have been an interesting journey with both challenges and rewards. Why did you keep going? What helped you keep going?

8. What is your vision for company x’s future?

9. Closing:

- a. Do you have any comments that have not been covered in this interview?
- b. What is next?
 - i. I will transcribe the relevant parts of this interview and I will send this transcript to you. It would be great if you could check this for accuracy and whether I captured the essence of what you said
- c. Sign consent form

Appendix 5: Interview guide pilot interview/session 2 (Phase 2)

This is only one example of a “session 2” pilot interview guide; each guide was adjusted to the participant/business. In addition, guides developed over time. This was version 4.

1. Introduction

- a. Thanks for meeting me again.
- b. Explain how the research is progressing
- c. Just to remind you again that everything you say in this interview will remain confidential
- d. I have really enjoyed reading back through our talk.
 - i. Have you had any thoughts about it? Any questions?

2. Clarifying elements of the story

You told me a lot about your journey with Company x, I just wanted to clarify some things.

- a. In our last conversation we talked briefly about when you sold the business. You mentioned that your heart was not in it anymore. Can you tell me why you lost heart?
 - o What would have needed to change for you to keep going?
- b. You mentioned that “We were on this inevitable path to grow the business” and that you did not want to remain “this co-op thing”. Why was this growth “inevitable”?
 - o Was it an option to stay small?
 - o What did you mean when you said, “the parameters on which you do business change as you grow”.
 - o You also said that at some point you decided to push the business in a more commercial direction. You said there, “and it needed to do that if it was going to survive”. What did you mean?

3. Self-referencing

- a. As an organisation you are surrounded by continuous demands and competitiveness, which can make it hard to stay aware of what you are doing (as a company) and to stay in touch with the meaning of the enterprise. Did Company x have practices in place to “stay in touch”?
- b. You mentioned how a great majority of people are not self-referencing, you said, “They don’t go into their own hearts into their own being to ask who am I, what do I believe

in etc.". At Company x, how did you ensure that you personally "self-referenced" and stayed connected with your deeper values?

- i. Probe, how would you do this when faced with pressing business decisions?
- c. I guess, employees can also get easily caught up into all they have to do. Did Company x have systems or practices in place that would assist or allow employees to step back from day-to-day busyness and reflect on their own purpose and own sense of values?

4. Using intuition: language related to intuition/intuition and growth

In your story it became clear that you had quite an intuitive approach to leading the company.

- a. Is intuition/gut feeling important in business decisions? Why?
- b. When you think back to the early years with Company x, did you rely on your intuition or gut feeling in decisions? Example?
 - i. When you would make this decision, could you say within company x: I have made this decision on my intuition? Or would you rationalise it?
 - ii. Did you have to learn to talk about intuition etc.?
 - iii. When you made this decision, could you say outside the company: I have made this decision on my intuition? Or would you rationalise?
 - iv. Does intuition also have something to do with being guided spiritually?
- c. How does intuition make itself known? Are you able to remain aware these signals about what is right and wrong in the midst of work?

5. Different "areas" of sustainability

Employees:

- a. What is important for you in relation to employees? What would you like them to take away from working here - is there something that you are committed to developing in them?
- b. You talked about how important it is to start at home and bring your home values to the workplace. Do you find that this also applies to how you approach employees?
 - i. Difficulties/challenge: if yes, what are the challenges in seeing the employee as human being? E.g. does it clash with "being professional"?

Financial sustainability:

- c. What are your goals financially?

- i. Are you achieving this?
- d. Ownership structure: you mentioned the last time that you were the sole owner, have you thought about attracting outside capital? For expanding, reducing risk? Have you thought about an ESOP?
- e. Other challenges connected to finance: Also in relation to finances, you mentioned the last time the challenges you have with your accountant, since “he speaks a different language”. Do you encounter this regularly, with whom? Do you change the language/terms that you use when you talk to financial people?

Personal sustainability:

- f. What is your commitment to your personal sustainability within the business? E.g. Work-life balance; keep inspiration; developing self; keeping in touch with self.
 - i. Are you achieving this?
 - ii. Some practical examples of how you bring this into being?
 - iii. Difficulties/challenges: what do you find challenging about sustaining yourself in the business? E.g. work life balance; tension between personal and organisational aspirations? Keep connected with inspiration?

6. Collaborating and participating

Employees:

- ➔ Who decided on the values and commitments as they were written on your website?
 - i. Are these reviewed? Do you revisit them? Forum?
- ➔ Can you explain to me how you keep these values/commitments ‘alive’ within the company with current employees?
 - i. Do you have conversations/discussions about them?
 - ii. In what forum? On what level?
 - iii. How do people on ‘lower’ levels get involved in conversations about values?
 - iv. How you get discussions going and in what form? When you grow is that harder to have these discussions? Can you still be collaborative in that way?
 - v. Now you mentioned that “we have dispersed that message around our values sufficiently for it to carry on ... It is a good feeling, because you are part of nurturing something and the message has been picked up by enough people to get some sort of critical mass and then it goes off and has its effect.” (11). Do you think that in the perception of the employees that the

power of that message (the integrity of the values) gets undermined when redundancies happen?

1. Why yes. Why no.

- ➔ When you hire new employees, is your selection of staff based on values?
 - i. Which ones yes, which ones no? Are in some positions skills or expertise, like commercial expertise, more important than values? Which ones?
 - ii. How do you 'check' on values?
 - iii. Extra: You said that it was important to have some very commercial people in the business, in which positions?
- ➔ So different staff knows about Company x's values. Can you give an example when the employees have called the company on its own values when they felt there was an inconsistency between a value and the reality?
 - i. Do you actively invite staff to speak up about their concerns about the company's integrity?
 - ii. I read that in response to staff concerns around managing stress and workloads as the company expanded an employee-driven wellness committee was developed. In which way was that issue brought to your attention? What does this committee do?
 - iii. Are employees quite vocal?

Customers: You mentioned that your customers drive your behaviour to a certain extent. You said that they want more environmental performance and integrity.

- ➔ Through what channels can customers comment on Company x and Company x's actions?
 - i. Formalised procedures?
- ➔ Do you have an example of when you customers called you on your values/integrity (through that channel/forum)?
- ➔ The other way around, do you have an example of when you sought their feedback on an issue/dilemma that you were looking at?
 - i. How?

Community: You mentioned that community calls Company x on its values all the time as they expect Company x to act in a responsible way.

- ➔ Examples

- ➔ Through what channels do you they call you on your values?
 - i. Formalised?
- ➔ Do you have an example of when you sought their feedback on an issue/dilemma that you were looking at?
 - i. What kind of system do you have for that?

7. Closing

- ➔ Do you have any comments that have not been covered in this interview?
- ➔ What is next?

Appendix 6: Interview guide international interview/session 1 (Phase 3)

This is only one example of a “session 1” international interview guide; each guide was adjusted to the participant/business. In addition, guides developed over time. This was version 9.

Before the conversation: Think about intent and purpose of conversation. Connect with a feeling of compassion and love, and the idea that they are trying from a good place. Let them talk about the good things/accomplishments and move to more challenging issues from there. I want to stir them towards experienced based answers and get an idea of practices.

1. Introduction

- a. Agree to record this conversation?
- b. Thank you for participating in my research project. I am very happy that you have agreed to participate. You have created a wonderful conscious company. So thank you for taking the time to meet me.

2. Topic and anonymity

- a. Over the email I explained the purpose of this research. My research focuses on business with a conscience; values-driven businesses that seek to do something good as well as make a living. The project attempts to go beyond the marketing story and wants to get a clear understanding of what specific challenges values-driven businesses face. More specifically, it aims to understand the dilemmas that these businesses face in keeping true to their values in a competitive and commercial business environment.
- b. The research is international; explain scope.
- c. Anonymity: In this interview I will be asking for information that is potentially sensitive. To ensure that you feel you can answer freely, the participating companies and CEOs will remain completely anonymous. This means that your identity and the identity of your company will be concealed. As I explained in the information sheet that I sent you, every effort will and has been made to ensure this. For example, the study has a wide sample of over 20 companies over 3 continents and names of participants and companies will be changed. [For more details see the information sheet.]
- d. If needed some explanation of interest in topic

- e. Any questions?

3. Background information

I just have some quick background questions to start off with -

- a. How has it been going with your company given the recession?
- b. How many employees does the company have now?
- c. I understand that the company is partly owned by its employees – what percentage do the employees own?
 - i. Are there any other shareholders?
 - ii. You are growing quick quickly, would you consider going public or is that not an option?
- d. Could you summarise for me what you understand under a 'high involvement culture'
 - i. What is participative decision making?
 - ii. What other specific management practices?
 - iii. What specific organisational structure?
 - iv. Extra: tensions
- e. Extra: At the moment your company is selling nationally, are you thinking about international expansion at all?

4. Story and background of values

- a. I have read the story of how your company came to be, so we don't need to go over that in much detail. However, I am interested in how your vision and commitments has developed over the years. If you look at the current vision [which I understand to be] can you tell me the story of how it has evolved over the years into what it is now? And can you include what you consider the main events or people along the way which shaped it? You can start where ever you feel is relevant.
 - i. Probe: Has the focus expanded beyond your initial commitments or become more defined?
 - ii. Probe: What has changed about the commitments and values over time?
Who or what called them into being?
 - iii. STAY ALERT TO STORY ELEMENTS
- b. How do you see this vision developing in the future?
- c. Do you think that there is a spiritual aspect to your company purpose of values?

- i. Extra: Have you felt guided on this journey with your business?
- d. Who decided on the purpose statement as it is expressed on your website/sustainability report?
 - i. Does the company take time out to review or revisit this purpose and these values?
 - 1. In which forum?
 - ii. How is the authenticity of the purpose/values maintained?
- e. Your company has been very successful in being both values-driven and being commercially successful. Have there also been times during this journey when being values-driven and being commercial did not go together very well?

5. Shared and lived values

- a. How do the core values and beliefs come alive within the company?)
- b. Through which practices/systems does the company ensure that everybody remains conscious of the values in all decisions even if there is pressure?
- c. Extra: How do you know these values are alive within the business?
 - i. Probe: in which ways are the values expressed?
 - ii. Probe: are there other things that you can think off?
- d. Do employees give suggestions or feedback on different ways in which the values can be applied? [Positive angle]
 - i. Example
 - 1. Probe: Through what forum? Response? Dialogue?
 - 2. Probe: Do you invite this input?
 - 3. Probe: How do you involve people of all levels?
 - 4. As a company, are you pushed by staff that is passionate?
 - 5. Are employees quite vocal? Do they feel free to make suggestions?
Or do you need to encourage them to speak up?
- e. So these values are very much alive in the company. Do you have an example of when employees called the company on its values when they felt the company was not living up to them in its actions – was not being authentic [Participant's own word in documentation about company]? [Inconsistencies between an espoused values and values in action]?
 - i. When example is mentioned:

1. Probe: Through what forum? How did they bring that to the attention of the company?
 2. Probe: How does the company deal with such situations? Dialogue-exchange of ideas
 3. Probe: So employees speak up about their moral concerns? Or do you encourage them to speak up?
 4. Is it hard not to become defensive?
 5. Do you invite this input? Are you open to critique?
- f. Do you have an example of when *external* stakeholders called the company “to account” because they felt the company was not living up to its values (or could do better)?
- i. When example is given:
 1. Probe: How did they bring that to the company’s attention?
 2. Probe: What was your response? Dialogue?
 3. Probe: So stakeholders are quite vocal about critique or moral concerns? Or do you encourage them to speak up?
 4. Probe: Do you feel pushed by stakeholders that are aware?
 5. You say on your website that you invite input from external others:
 - a. How?
 - b. When?
 - ii. I saw that you have a blog and twitter, what is the purpose of these social networking tools? How do you use them?

6. **Experienced (ethical) dilemmas** – practical examples

Often being values-driven and being commercially successful go hand in hand. But it would be reasonable to expect that at times there are tensions between your core values and your commercial business demands. What is a particular dilemma or tension that your organisation has faced in this respect?

- i. Probe: can you describe the situation? Tension/dilemma between...
- ii. Probe: Who dealt with this dilemma? Which people/boards were involved?
- iii. Probe: How was a reasonable solution to this dilemma determined?
- iv. Probe: How was agreement reached?
- v. Probe: Did you consider a different way of dealing with the situation?
- vi. Probe: How did you feel about the situation?

- vii. If no, probe: Does that mean that as a business you are always able to do 'good' even if it does not pay?

Below follow some alternative questions which point towards similar issues:

- ❖ You mentioned in the sustainability report of 2009 that there is a perpetual interplay between people-planet-profits; that it is about constantly balancing different commitments. Can you tell me about a situation when it was difficult to attain a balance? (See above for probes)(If needed, give examples for encouragement.)
- ❖ Can you tell me of times when you were involved in a business decision where you felt that the decision was inconsistent with the core values?
 - viii. What was the dilemma? (see probes above)
 - ix. Did you speak up?
 - x. How did you feel about it? Did you rationalise?
- ❖ Have there been tensions between your commitment to a participative culture and the time that it takes?
- ❖ What are the tensions around growing?
 - In the sustainability report it was mentioned that there had been real concern within the company to maintain the company culture and ethics when growing and that special efforts were made to ensure that new employees would understand what was important and would uphold the beliefs. Can you tell me about this?
 - I also read that you find it important to create a balance between entrepreneurial spirit and business discipline; what were you referring to?
 - Are there tensions in growing the business and staying true to your social and environmental ideals? (see probes above)
- ❖ Have any of the great social or environmental initiatives come under pressure because of finances?
- ❖ Extra: Have there been times when the company did not live up to its values?
- b. Extra: What have you learned over the years about balancing the different commitments of the business?
- c. How do you reconcile your dreams with an imperfect reality?
- d. How do you stay inspired?

7. Comments

- a. Do you have any comments that have not been covered in this interview?
- b. Given the topic that I am looking at, are there any questions I could have asked but did not?

8. Closing: What is next?

- a. We are just about out of time. This has been great; you have given me a lot to think about.
- b. Sign consent form
- c. Confirm next appointment

9. Extra questions if time:

- a. Maintaining authenticity, so matching your actions with the things you say about yourself is important to you – how do you stay alert to whether your walk matches your talk? [If not here, for interview 2]
- b. If the company faces a dilemma – like whether or not to go for wind-power one, in which forum would that be discussed? [If not here, for interview 2]
 - i. Are there dilemmas you would not share internally?
- c. What have been the biggest obstacles in creating a sustainable business?
- d. It must have been a challenging and interesting journey, what made you keep going?
- e. When do you consider your company successful?
- f. If you think about the values, who holds the space within the company?
- g. Have you considered succession in relation to your business?

Appendix 7: Interview guide international interview/session 2 (Phase 3)

This is only one example of a “session 2” international interview guide; each guide was adjusted to the participant/business. In addition, guides developed over time. This was version 10.

1. Introduction

- a. Thanks for meeting me again. How was your holiday?
- b. Just to remind you again that everything you say in this interview will remain confidential
- c. I enjoyed reading back through our talk. Have you had any thoughts about it? Any questions?

2. Clarifying elements of the story

I would like to start with clarifying some things we talked about last time.

- a. You mentioned that this is the first company you have run where there isn't a parent company restricting you in what you are doing . Can you say, in relation to the values, what you have been able to do with this company, which you have not been able to do in any of the other companies?
 - What constraints did you have elsewhere that you don't have here?
- b. The values are not written down you said within the company – why was that choice made?
- c. As you explained, the values are very much alive within the company. Do you also have an example of when employees called the company on its values because they felt the company was not living up to one of the values?
 - Example?
 - Through what forum?
 - Response? Dialogue?
 - So employees speak up or need encouragement?
 - Do you invite?
- c. Your business is growing quite rapidly,
 - According to you, is there a max size that a values-driven business can be?
 - What are the benefits/ concerns around growing?

- d. You explained how with your company you are also trying to create a more honest industry and trying to change the way the industry works – to that end, would you also [limits your responsibility]
- Pro- actively talk to government about this?
 - Pro- actively dialogue with competitors?
 - Do you have dialogues with competition about creating a more honest industry?
Or would you call competition to account in some way for their behaviour?

3. Reflectiveness and Humility

- a. For commercial businesses there is always pressure to act and react. This can make it hard to stay conscious of what you actually stand for as a company and why you exist. Does the company have practices or systems in place that allow the company to step back and be thoughtful for a moment about the meaning or purpose of the company?
- b. Employees can also easily get caught up into day to day busyness. Does the company have systems or practices in place that “allow” employees to step back from day-to-day busyness and reflect on what is important in their life and work?
- c. From the first conversation I understand that you place importance on the employee wellbeing and happiness. Does that also mean that as a company you feel you have a responsibility beyond the professional development of your employees?
- i. E.g. do you want to contribute to their personal development?
 - ii. What do you consider to be the limits of your responsibility in this respect?
[E.g. help people realise their own values; development of a direction in life and motivation on their chosen path; developing confidence ; develop taking responsibility; support an interest in conscious living; develop meditative practice; develop self-worth; encouraging a sense of self-esteem]
 - iii. You mentioned how you are trying to be human in relation to your employees, is the boundary between your responsibilities as a CEO of a company and your responsibility as a human being sometimes unclear?
- d. What practices or systems does the company have in place to review whether its actions are still in line with the core values? [How do you mind the gap? E.g. audits, employee survey, phone lines for customers.]
- i. Extra: Within the company, can you have open conversations about when the company falls short of its values?

4. Acceptance of ethical dilemmas and dialogues

- a. In our last conversation we talked about that it is reasonable to expect that values-driven companies experience conflicts or dilemmas at times.
You mentioned how you discovered some year ago that you unknowingly had accrued a million and a half [dollars/pounds/euros]. You then faced the dilemma of what to do with the money given that the company was actually quite tight on cash.
 - i. If you think back to that particular dilemma, was this dilemmas internally shared with employees?
 - ii. Do you think that in the perception of others, this decision reinforced the integrity of the core values? [May give an indication whether they know about what others think]
- b. In general, do you share with employees the ethical dilemmas that you face within the company? E.g. when you were freezing salaries and bonuses, did you explain that dilemma?
 - i. Do you actively seek the input of employees in relation dilemmas?
 - 1. If yes, what is the value of sharing stories about dilemmas?
 - 2. If no, why not?
 - ii. Extra: Do people openly share the dilemmas that they face in their own work?
 - iii. What do you think are barriers to sharing such stories?
 - 1. What would bring these barriers down?
- c. Do you also talk to external stakeholders or maybe with other values-driven businesses about the challenges you face as an ethical business?
 - i. So it is quite normal to have dialogues with others about dilemmas?
 - 1. Why yes/why no?
 - ii. In general, you are (not) comfortable sharing your difficult dilemmas with others?
- d. Extra: Could you say whether it has become harder or easier to be open about the dilemmas you face when you compare it to the early days?

5. Intuition and language when growing

Something quite different,

- d. Would you say that intuition or gut feeling is important in business decisions?

- i. Why? What does it tell you? [Right and wrong?]
 - ii. Did you ever go against your gut?
- e. Can you give an example of when you used intuition in a business decision or for solving a conflict or dilemma?
 - i. When you made this decision, could you say with your company: I have made this decision on my intuition? Or would you have to rationalise?
 - ii. When you made this decision, could you say outside the company: I have made this decision on my intuition? Say to your accountant? Or would you have to rationalise?
 - i. Extra: Did you have to learn to talk about intuition etc.?
 - ii. Extra: Does intuition also have something to do with being guided spiritually?
- f. In your experience, does the role of intuition change when the business grows and becomes 'more professional/systemised'?
 - i. In other words, is intuition or gut feeling still supported in the systems of the organisation?
- g. Extra: Do you think intuition is important in any business or more so in a values-driven business?
- h. Extra: How does intuition make itself known?
 - i. Are you able to remain aware these signals about what is right and wrong in the midst of work?
 - ii. How are you able to reflect on your intuition in the midst of work?

6. Framework:

Enquiring into tensions/conflicts

Framework: Here I would like to try something different. Now mostly it is a happy marriage between being values-driven and being commercially successful, however there is a grey but important area where they are not compatible. This is the area I want to talk about.

The model is a result of various academic research and describes the natural and inevitable dilemmas that values led businesses may experience in a capitalistic environment. The model is a work in progress and is not set in stone so please feel free to give feedback on it.

This is just the outline; in the middle of the model you find the core values and commitments that form the heart of the values-driven company. In the outside ring you see the commercial business demands. Complexities arise when the core values are in conflict with the commercial business demands, or when values are in conflict with values.

The four areas are four dimensions of a values led business: Stakeholder inclusion, Making a contribution, Supporting employee development and Maintaining integrity of character. I will explain them in more depth in a moment.

On the left hand it says 'internal' which basically indicates that these 2 elements are more about the internal focus of the organisation and the other 2 more the external. 'Reflection' indicates that these two elements are more about reflection and these two are more action focussed. I will now go through each one of the elements in more depth and will ask you to comment on each element.

Stakeholder inclusion describes the extent to which you consult or include all of your external stakeholders. To explain what this dimension is about, here are some of the dilemmas that might be experienced in this element: [see model: let them pop up one by one]

- How can we be open and listen to stakeholders given constraints like time and money?
- Collaboration is important but can we also collaborate with competitors?
- How do we balance listening to stakeholders with showing leadership?
- We aim to treat all these stakeholders fairly but at times their interests conflict

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company? How did you deal with them? Who was involved? (Etc.)

Contributing to humanity or planet talks about the extent to which your company makes a difference to humanity or the planet. What are you doing for others and what are you doing for the company? To explain what this element is about, here are some of the dilemmas that might apply to this dimension: [see model: let them pop up one by one]

- Do we continue doing the 'right' thing, even if it does not make business sense?
- Are we doing enough, given that there is always more to do?
- Should we exist? After all, being in business means having an impact on others and/or the environment?

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company? How did you deal with them? Who was involved? (Etc.)

Supporting employee development is about assisting employees to express full potential and their deeper values at work. To explain what this element is about, here are some of the dilemmas that might be experienced in this element: [see model]

- How do we balance employee participation and consultation with being flexible and efficient?
- Do our systems meet business demands as well as honour the full human being?
- How do we assist self-development in employees without imposing it?
- Can we balance a commitment to develop the full potential of staff with other business needs?

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company? How did you deal with them? Who was involved? (Etc.)

Maintaining integrity is about the integrity of the organisation towards its values. This is about self-knowledge. To explain what this element is about, here are some of the dilemmas that might be experienced in this element: [see model]

- How do we consider our values in all decisions even when under pressure?
- Reflection on purpose & values is important but where do we find the time to reflect when busy or growing?
- How can we be transparent & open to critique but also protect our image?
- Can we grow and still maintain our culture and values?

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company? How did you deal with them? Who was involved? (Etc.)

Are there any other conflicts, tensions or dilemmas that you have experienced but that are not listed here?

- a. Extra: could reflect on a certain area they mentioned more than others.
- b. Extra: From all the dilemmas we discussed just now, which one really challenged you personally?
 - i. Alternative question: Which one did you struggle with most personally?
 - ii. Probe: what insight did you gain into yourself when this came up?

I would love your feedback on this model, could I email you the model with some short questions about the model? E.g.: Are there terms that you find unclear? Are there additional elements that are not mentioned in the model? Extra: Was this framework helpful in talking about difficulties? Could it be helpful within your company?

7. Closing:

- a. This has been great and you have given me a lot to think about. Given the topic that I am looking at, are there any questions I should have asked but have not?
- b. Can I email you if I need clarification about anything?

Appendix 8: Coding example

<i>Extract from session one with Affinity (version 9)</i>	
<p>Kay: Yeah, we never stop and we have a phrase that we use, it's a very Affinity kind of a phrase, we say that we're in the river. Whenever we come up on the ... when it strikes us that um, maybe something we said last week no longer applies this week, it's because 'we're in the river' and things are constantly changing and we recognise that, nothing is static.</p> <p>Puck: And are you comfortable with that as a company?</p> <p>Kay: We are very comfortable with it and what happens is, we joke and it's not exactly a joke because there's a real strong element of truth to it, but that anybody new who joins the company, it can take on average, we estimate, two years for somebody to fully acclimate to this way of being here. Because that lack of clarity of, you know, who do I go to? who has the authority to make a decision or to sign off on this? That clarity is never there, even for those of us that have been here for as long as I've been here. I'm always asking you know, well who needs to be part of this discussion? ... who can finally approve or not approve this direction?</p> <p>Umm - but that's truly how we work and the reason is we want to have a lot of voices engaged, we want to make sure people are heard um, we value every body's opinion but you know that's an unwieldy way of looking at things and so...and it takes time. Partly because we're a privately owned company, we don't answer to outside investors or financial markets, we have... we can take the time we need to get it right um, and so we are really comfortable with it and it seems to work we're continuously profitable, ... we're having an amazing year this year so something's working for us [laugh].</p> <p>Puck: You say it takes people time to acclimatise to your way of working, can you elaborate on that?</p> <p>Kay: It definitely does not fit everyone and so it's increasingly clear that we have to hire for cultural fit and for fit with this way of doing things.</p>	<p>Analysis Feb 2011 (Red) Analysis Oct 2012 (Blue)</p> <p>A way of being</p> <p>WE ARE IN THE RIVER</p> <p>Constant change; Always to come</p> <p>No fear of change, of non-permanence</p> <p>WAY OF BEING rather than 'a practice' or structure.</p> <p>Challenging for some employees: not 'trained' for this way of being</p> <p>Lack of clarity about authority</p> <p>Valuing collaboration</p> <p>Engaging voices/Being heard/Valuing people</p> <p>Challenge: unwieldy way of looking at things; time intensive</p> <p>Privately owned = condition?</p> <p>We take the time we need to get it right</p> <p>Comfortable with self – knowing this is their way</p> <p>Something is working for them (like Whitcoulls Bank said)</p> <p>Hiring beyond skill/ Cultural fit</p>

Appendix 9: Employee-related practices

Table 3.1: Remuneration and Work Arrangements

	Practices	Illustrative quotations
Remuneration	<p>Provision of ‘living wage’</p> <p>Beyond cash compensation such as: (extensive) health insurance; dental and vision plans; company-paid life and disability insurance.</p> <p>Profit sharing schemes; stock/share plans</p> <p>Retirement planning assistance; retirement savings contributions; financial planning assistance.</p> <p>Employee hardship funds; other employee hardship assistance.</p> <p>Free or subsidised “green” solutions for home or transport: e.g. solar panels or free public transportation.</p> <p>Adoption assistance; domestic (same sex) partner benefits; dependent care assistance plans.</p>	<p><i>“As we grew and hired our first employee, a big thing was living wage. So basically a living wage is paying an hourly wage that, generally ... is two and a half times the national minimum wage and it includes health and medical, dental and vision” (Aveda Organics)</i></p> <p><i>“We have up to date given everyone who joins the company 5000 shares when they joined. Now we have been doing that for 5 years. ... 5000 shares 5 years ago was worth you know, maybe 20000 pounds, today it’s 40000, 50000 Euros” (Landrijk Insurance)</i></p> <p><i>“A lady who works [here] ... was pretty much arrested on our premises This lady had been caring for her mother ... she had the power of attorney over her affairs and had used a small amount of the money to go on a holiday with her mother. Her sisters had seen this as a breach of her fiduciary responsibilities ... and had reported her to the Crown prosecution We gave the woman ... an interest free loan ... and then we actually gave her counselling Everyone [within the Executive committee] knew what the right thing was” (Landrijk Insurance)</i></p> <p><i>“We were ... one of the first banks in the Netherlands to provide domestic partner benefits” (Prometheus Bank)</i></p> <p><i>“We reimburse ... adoption expenses ... up to \$3000 for each adoption per family for up to two adoptions” (Pure’s official documentation)</i></p>
Work Arrangements	<p>Flexible work arrangements; compressed workweeks; job sharing possibilities.</p>	<p><i>“We have a job-sharing situation where two mothers of young children share the same position” (Prometheus Bank)</i></p> <p><i>“We care about making work more flexible By offering employees some freedom over their own work schedule. They can ‘save up’ worked hours so that if, for example, they want to leave earlier on a Friday or start later on a Monday, they can” (Pendragon Brewers)</i></p>

Table 3.2: General health and wellbeing

	Practices	Illustrative quotations
Physical Health Care Practices	<p>Subsidised or free gym membership; on-site yoga or stretch classes. Availability of on-site yoga or exercise spaces.</p> <p>Provision of weight loss programs (incl. body fat/BMI screening); therapy sessions for giving up smoking.</p> <p>Wellness benefits.</p> <p>Availability of healthy food and drink options; on-site massage and pedicure services; organic company garden and produce.</p>	<p><i>"We have the free gym membership The free therapy sessions for giving up smoking.... We pay for them to take time off to give up smoking" (Landrijk Insurance)</i></p> <p><i>"We have this 3000 square foot organic garden out there that we pay employees to go out and work in every Friday" (Aveda Organics)</i></p> <p><i>"If you want to buy a bicycle, that would come under the Wellness benefit" (Affinity)</i></p>
Holistic Health Care Practices	<p>Access to holistic health practices (e.g. acupuncture, Reiki).</p> <p>Wellness benefits.</p> <p>On-site relaxation, breathing, meditation or mindfulness classes.</p> <p>Yoga or meditations rooms; quiet spaces.</p> <p>Quiet moments before meetings.</p> <p>Self-reflective exercises.</p> <p>Counselling or therapy sessions. Employee Assistance programs.</p>	<p><i>"One category are things that typical traditional health insurance wouldn't cover ... holistic care practices: Reiki, massage therapy, those type of things. [The founder] really believes in the power of those kinds of practices so that's how we started bringing those into the company for a place to experience" (Affinity)</i></p> <p><i>"There are meditations classes ... and other courses ... like the Silva Method ... it is really about trying to really leverage the power of your brain to do things that you might not think you can do.... There is a course, Conscious Breath it's called, it teaches you how to really use your breath to increase your energy or calm yourself down" (Pure)</i></p> <p><i>"Employee assistance programs: If something bad happens ... because he is getting divorced, or it is because she had a miscarriage, or there is a drinking problem, or something, that is a way to get people to say: hey this part of your life is in danger because it does not seem like you have the support in this part of your life. Can we help you?" (Pure)</i></p>
To support both	Wellness leader; wellness committees.	

Table 3.3: Personal Development

	Practices	Illustrative quotations
Self-Development Practices	<p>Functional training; “Throwing jobs in air”</p> <p>External or internal training unrelated to role. Education reimbursements, tuition assistance or education benefits.</p> <p>Courses and programs to explore personal dreams and interests, e.g. courses, sabbatical programs.</p> <p>Opportunities to experience other things beyond role, e.g. company committees or taskforces; volunteering opportunities, generally paid or during work hours.</p> <p>Structural teams or roles to ensure a continued focus on employee development and growth.</p>	<p><i>“There are a couple of ways we tackle personal growth. One is through the Wellness and Education benefit. So that if you’re interested and you want to go and learn Spanish, that benefit will cover some or all of those costs. Or horseback riding or whatever it is you do, so those sorts of things.... Because if you’re interested in just developing yourself, your public speaking skills for example or your computer skills, well that’s job related so you can get that covered by the company, so that’s separate” (Affinity)</i></p> <p><i>“There’s a class called ‘Your wildest imagination’ ... it’s a chance to spend time figuring out who you want to be.” (Pure)</i></p> <p><i>“We started a sabbatical program this year so that people who have been here 10 years have an opportunity to take some time off and rejuvenate and do something that they wanted to do and not feel like they have to quit because they can’t afford to do it otherwise” (Three Brothers)</i></p>

Table 3.4: Collaboration and Involvement

	Practices	Illustrative quotations
No-privilege	<p>Open plan office; open work environment, e.g. open door policy.</p> <p>No suits or ties; same parking rights.</p> <p>First name basis for all staff; language use: ‘co-workers’.</p> <p>Shared ownership plans. Remuneration practices.</p>	<p><i>“The whole company is in one location and the thresholds from one office to another are really low For instance, every employee can just walk into the office of the MD and say, [MD’s name], this and that” (Whitcoulls Bank)</i></p> <p><i>“There were a couple of specific design details that were stated from the beginning. One was: no more private offices; so no matter what level or role you have in the company you don’t get a private office. Everyone has an equivalent kind of space; it’s an open work environment” (Affinity)</i></p> <p><i>“These are symbolic things: [the company we bought] had eight parking places for directors. So you scrap them, because this is nonsense” (Landrijs Insurance)</i></p>
High-Involvement Management	<p>Open book management</p> <p>Office design: meeting rooms; open plan office. Regular meetings.</p>	<p><i>“Every week we would have a full staff meeting with office and factory people; once a month we would buy morning tea for the whole staff; various teams would share their performance; we shared the books ... we talked about the financial performance of the company” (Everest)</i></p>

	<p>Elaborate consultation procedures; Appreciative Inquiry practices.</p>	<p><i>"For example we have got to meet the supermarkets in price, if the supermarkets are moving into organic than we need to meet them. Now how do we do that and survive? All of those things are things that our managers talk about in managers' meetings and juggling and looking at. We discuss together. And that is not going to happen at a board meeting once a month" (Mulberry Grove Organics)</i></p> <p><i>[Conscious office design:] "We've got little random benches around where people can just sit down as they're passing each other in the hallway and say, Oh I've got to talk to you about this idea I have. We've got lots more little meeting rooms, it's all about collaboration ... If you don't have a meeting space at your desk, you have a filing cabinet that pulls out that has a seat on top of it, so there's always a way for people to gather" (Affinity)</i></p> <p><i>[At Three Brothers the annual strategic planning happens as follows:] "We have a board meeting where we confirm our mission ... then we have our top strategy group looking at our three-year plan . Then we kick it over the fence to our co-workers to say, for our annual strategic initiatives which is our one year plan? What worries you? What do you think we ought to be focusing on? What should we stop doing? ... We have a one-day retreat and we get everyone across the company together We gather up all of that information after the retreat and we put it into like-themes and we distil that down and we take it back to them and say, this is what we've heard. Then we plug that into our annual strategic initiatives and from there on departments make their own plans. Then everyone in the company makes their own personal plan ... and take it to whoever is their area manager or leader, and they agree and tweak. All of those are on our intranet ... so you can see what anyone's working on" (Three Brothers)</i></p>
Empowerment	<p>Leadership and management structure. E.g. large leadership teams; absence of conventional leadership direction; autonomous teams or committees.</p> <p>Empowerment practices such as pre-approval.</p>	<p><i>"We started creating little satellite groups We have a lot of teams ... the idea was these little teams would then be able to, in the same way ... if you think about a board of directors and how there are committees ... those committees carry the same authority. You know they are able to move more quickly and they can make decisions and they bring back information to the bigger group as necessary, that's kind of how these little groups function and that's where we are right now" (Affinity)</i></p>

Appendix 10: Practical implications (human-centred approach)

Table 3.5 and 3.6 provide some additional examples and illustrative quotations to section 3.7 (Practical implications)

Table 3.5: Developing skills and experience

	Practices	Details or illustrative quotations
Leadership skills and experience	Leadership training; leadership retreats; coaching; counselling; reflective exercises	<p><i>"We've spent a lot of time on the expectation that a lot of a manager's job is coaching their people. That's your job. Your job isn't to go do the beer thing. Your job is to coach the people who are doing the beer thing" (Three Brothers)</i></p> <p><i>"Self-development is constantly in the conversation. It is part of what we learn about being a good leader here; you take an interest in your employees, you find out what do they really want to be doing; how can you support them" (Affinity)</i></p>
Employee skills and experience	<p>Training (e.g. financial; communication, constructive feedback)</p> <p>Coaching (e.g. to get involved; to take initiative; to make mistakes)</p> <p>Encouraging self-reflection and making own value judgments</p>	<p><i>"With the [commitment to] trusting each other and committing to authentic relationships and communication, we have everyone in the company go through something called Crucial Conversations and ... another program called Crucial Confrontations It allowed us to have one language in learning about communication with one another" Three Brothers</i></p> <p><i>"It is embedded in the way we run meetings; everyone is required to participate ... cell phones off, out they go, everyone participates. If you don't understand what is happening, you must ask questions. Being in a meeting and not understanding is not acceptable. Why? Because you can't do what we are describing if people are not bringing themselves" (Einstein's Cycles)</i></p> <p><i>"When people start to get in touch with themselves ... they get happier, they feel more empowered, understand a lot more about who they are. The people that did those [self-development] courses suddenly became the best employees you could ever have. They were like, I know who I am and I am prepared to give, and stop being a victim" (Everest)</i></p>
For both	Recruitment; reward and performance management systems	<p><i>"We have to hire here for cultural fit and for fit with this way of doing things. Many of the skills that we might normally look for are trainable and if we make the mistake and hire just for skill there is a high likelihood that that the person is not going to work out, or it's going to be very difficult for them ... adjusting" (Affinity)</i></p> <p><i>"The recruitment and the reward is absolutely based on the values, particularly how positive or supportive you are of others. You can be brilliant at your core job but you will never get a raise if ... you're not positive and supportive of others." (Aroha Events))</i></p>

		<p><i>"We adopted a different performance management system This was much more heart-centred and much more human related ... Instead of a performance appraisal system it became a performance development system" (Everest).</i></p>
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Table 3.6: Structural roles and committees

		Details or illustrative quotations
Structural roles and committees	Dedicated roles/committees to guard the focus	<p><i>At Affinity, a Wellness leader was appointed, whose "sole purpose is to guide this one aspect of our mission: to make sure that people in the company do have access to these kinds of [health care] experiences, that [the founder]'s vision for health and wellbeing is fully developed"</i></p> <p><i>To maintain their focus on employee support and development "we wanted a more formal process. There was pockets of coaching and we had an internal committee that was associated with human resources through our strategic planning meetings and things. So a group was formed and they identified that ... some areas were doing it really well, some weren't doing it at all, and they wanted to make it more uniform throughout the bank" (Prometheus Bank).</i></p>

Appendix 11: External engagements

Table 4.1 to 4.6 provide some illustrative quotations to section 4.2.

Table 4.1: Formal partnerships

Platform	Illustrative quotations
Supply chain partnerships or agreements	<i>"What we are really good at is our integrated supply chain; the relationships with the suppliers. When we started getting beyond what we could grow locally, I started the co-op [with regional farms], which has been unbelievably successful. People pay for setting it up but we have a sort of supply chain that supports family farms to the extent that they can make more money doing this than anything else It gives them a sort of security, they love it, they like being appreciated, it just gives them more satisfaction" (Green Valley Organics)</i>
Educational partnerships	<i>"We are developing a project ... to create sustainability within hospitality businesses, who are our distributors With students of [a local hospitality school] we are developing a 'toolbox', which we will make available to all interested hospitality businesses. The toolbox will be like their guide to become a more sustainable business; it is very specific to their situation. Without having to enlist expensive consultancies; it will enable them to do a variety of things in terms of sustainability We think this suits us, we should initiate such things within our relations" (Pendragon Brewers)</i>
Other "formal" joint projects	<i>"Solar Auckland and Mass Energy, two clients of the bank, environmental organisations, approached us a few years ago and asked if we would create a special product to help homeowners finance solar installations. The resulting product is called 'the Green Loan'" (Whitcoulls Bank)</i>

Table 4.2: Business associations, networks and groups

Platform	Illustrative quotations
Industry associations	<i>"We do it a lot, engage in dialogue in industry association, so like the Specialty Beverages Association, but in the CSR world there's also gatherings like Series and Business for Social Responsibility. Lots of opportunity to talk with colleagues inside and outside your industry about what's going on, and try and learn from each other" (Pure)</i>
Networks	<i>"I find the [national sustainability network] quite useful It is really good in terms of contacts and networking It provides that platform to share information on running a sustainable business and here in the central region we have a networking meeting once a month and our members ... host it and then they profile their business and what they are doing in terms of sustainability and that is really useful" (Mulberry Grove Organics)</i>
Groups	<i>"We have Cradle to Cradle meetings with some large companies These are mainly about looking for new alliances ... How can we connect and strengthen one another? For example, we are talking to [a chemical business] In a way, that would be an unnatural relationship, a chemical giant and a family brewery but we look at what we can mean for one another in terms of sustainability. And that brings forth extraordinary things ... it shows how you can add value to one another in very creative ways." (Pendragon Brewers)</i>

Table 4.3: Conferences and seminars

Platform	Illustrative quotations
Conferences	<i>"We consciously seek contact with stakeholders, with organisations which would not naturally be connected to us. For example, two years ago we organised a conference in the brewery focused specifically on politicians and entrepreneurs. We had about four hundred people that visited That creates real interaction We do this to create interaction [about creating a sustainable society] ...and we give presentations where we get the chance to explain our way of thinking properly" (Pendragon)</i>

Table 4.4: Community and volunteering projects

Platform	Illustrative quotations
Community and Volunteering Projects	<i>"We had about 5 years involvement with protesting the motorway, which [we felt] was not a great thing for the uniqueness of our city.... I was very much amongst the arts community and they did not really have a voice, so [we] really just tried to say: You've got uniqueness, you've got historic buildings, you've got communities and you are just going to mow it down for another road. Being involved in that was another experience which was absolutely life changing. Great on many levels, even though we lost, you learn so much. Being involved in community groups, being involved and taking on other people's understanding and wishes and vision, and really learning to work with that. And getting a strong sense of community and how we fit into that community" (The Owlery)</i>

Table 4.5: Occasional meetings or visits

Platform	Illustrative quotations
Meetings and visits with competitors, NGOs, politicians, governmental bodies, activists, customers, mentors, etc.	<p><i>"People had read about the culture of the business and we had a lot of businesses coming through to look at what we were doing. We talked to Workplace NL a couple of times and had a lot of factory tours through" (Everest)</i></p> <p><i>"[CEO X from a large 'ethical' bank in America], he's been here three times in four years ... he said ... we have read about you, we have been all over your website and we were like, we have never seen a bank quite like you. And he said, I am connected to lots of socially responsible banks around the world, to the point where last year he created an alliance for Values in Banking And we have had another come in from Spain, very amazing bank ... the representative was not doing a formal study ... but his job was to go around and meet banks like us and kind of assess what is working, what is not, what is out there" (Prometheus Bank)</i></p> <p><i>"I have a lot of contacts with organisations that are quite unusual in the sphere of a brewery. Not just environmental organisations but also with a local convent. We just have really inspirational talks with these people [and] this also generates a lot of 'informal' information." (Pendragon Brewers)</i></p> <p><i>"From about 1994-1997 ... I probably talked to about 300 groups throughout The Netherlands. Rotary clubs, Lions clubs, conferences, society of accountants, society of directors, school principle groups, you name it. At one stage there we had a televised debate with the [national business association] I was doing more tripping up and down the country than the average politician would ... All financed by the company or out of my own pocket I was being almost quite political but</i></p>

	<i>not as a politician. I felt I was probably doing more good than the average politician. Getting the debate and the ideas going about responsibility and business” (Eden Breads)</i>
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Table 4.5: Online interaction

Platform	Illustrative quotations
Company website Social media (e.g. Twitter, Facebook)	<i>“On our Facebook fan page people are extremely active; always giving us feedback [laughs], giving comments such as, why don’t you do this?, I love that And it’s great, because it’s turning into a conversation” (Aveda Organics)</i>
Online communities or forums	<i>“This is a site which we made ... for the non-profits. We have about hundreds of non-profits who get to utilise this site On this site I then invite clients of the bank who want to write a piece on civil liberties, or economic and equality or homelessness” (Prometheus Bank)</i>

Appendix 12: Examples of questions used to enquire into conflicts/compromises (pilot interviews)

As outlined in the Methodology chapter, I continuously rephrased the interview questions, resulting in different versions; the lower version numbers mentioned indicate earlier versions of these questions, while higher version numbers indicate later iterations.

Pilot interviews:

Examples of interview questions used in the first interviews in the pilot study:

(a) Enquiring into conflicts, dilemmas and compromises:

- When you look back historically over your journey with your business can you give me some examples of decisions/situations when you felt there was a potential conflict/dilemma between the economic/efficiency/profit requirements of your business and your values/the ideal? (version 1)
- Can you tell me of times that you think reflect how you kept true your values? And can you tell me of times when you felt you had to compromise your values? (version 1)
- What were the biggest challenges/successes on your journey with your business? (version 1)
- Even though a business like yours is value driven, there have must have been times when you experienced a gap/tension between core values and your business demands. Can you tell me of such times? (version 4)
- Can you give me an example of a situations where you felt there was a tension between the different commitments of your business (version 4)

(b) Enquiring into approach to conflicts and dilemmas:

When the participant mentioned an experienced conflict or dilemma I used probes and questions such as:

- Probe: What happened in this situation?
- Probe: Why did you decide this?
- Probe: How was this choice made?
- Probe: Was anyone else involved in this decision/discussion?

Appendix 13: Examples of questions used to enquire into conflicts and compromises/session 1 (international interviews)

Main study: Interview 1

Examples of interview questions used in the main study.

(a) Enquiring into conflicts, dilemmas and compromises:

Note: the purpose listed below each question was actually part of the interview guides. I utilised these kinds of notes as a reminder about what the intention was behind the different questions.

Interview 1 (version 10):

Question 4 c: Your company has been successful in being both value driven and being commercially successful. Have there also been times during this journey when it was challenging to keep true to your values/to realise both? (version 10)

Purpose: Content - this 'loose' question is meant to see what (or whether) challenges they come up with without much prompting. Discourse – it is also of interest of how they talk about the challenges (open, defensive, etc.) and whether they feel they need to justify.

Question 6: Experienced ethical dilemmas – practical examples

Often being values-driven and being commercially successful go hand in hand. But it would be reasonable to expect that at times there are tensions between your core values and your commercial business demands. What is a particular dilemma organisations like yours face in this respect?

Below follow some alternative questions which point in a similar direction:

- I can imagine that your business is constantly balancing its different commitments. Can you tell me about a situation when it was difficult to attain a balance? (If needed give examples.)
- Have there been times when external or internal pressures pointed one way and company values pointed another?
- Were there difficulties maintaining the company values when you were focused on growing the business?
- Can you tell me of times when you were involved in a business decision where you felt that the decision was inconsistent with the core values?
- Have there been times when the company did not live up to its values?
- What have you learned over the years about balancing the different commitments of the business?
- If applicable, I will ask about some specific dilemma/tension that is suggested in the documentation on the specific company

Purpose: Content - this question is meant to elicit specific (ethical) dilemmas that they have experienced as well as situations where they felt the company fell short of its values. By using different questions to come to similar information I ensure I am doing a proper probe into these dilemmas. Discourse – it is also of interest of how they talk about these challenges, whether they are open or defensive (whether they feel they need to justify) about ethical dilemmas and falling short as a company. This might give an idea about whether the difficult and the 'bad' can exist.

(b) Enquiring into approach to conflicts and dilemmas:

When the participant mentioned an experienced conflict or dilemma in Question 6 above, I

used probes and questions such as:

- Probe: Can you describe the situation? Tension/dilemma between...
- Probe: Why was that particular choice made?
- Probe: Who dealt with this conflict/dilemma? Which people/boards were involved?
- Probe: How was a reasonable solution to this dilemma determined?
- Probe: How was agreement reached?
- Probe: Did you consider a different way of dealing with the situation?
- Probe: How did you feel about the situation?

Appendix 14: Examples of questions used to enquire into conflicts and compromises/session 2 (international interviews)

The model and these potential tensions and dilemmas were presented during the second interview by means of a power point presentation. A description of how I presented the framework can be found here; a visual representation of the framework, as well as the slides used can be found in Appendix 16.

Main study: Interview 2

Examples of interview questions used in the main study.

(a) Enquiring into conflicts, dilemmas and compromises:

Framework: Here I would like to try something different. Now mostly it is a happy marriage between being values-driven and being commercially successful, however there is a grey but important area where they are not compatible. This is the area I want to talk about.

The model is a result of various academic research and describes the natural and inevitable dilemmas that values led businesses may experience in a capitalistic environment. The model is a work in progress and is not set in stone so please feel free to give feedback on it.

This is just the outline; in the middle of the model you find the core values and commitments that form the heart of the values-driven company. In the outside ring you see the commercial business demands. Complexities arise when the core values are in conflict with the commercial business demands, or when values are in conflict with values.

The four areas are four dimensions of a values led business: Stakeholder inclusion, Making a contribution, Supporting employee development and Maintaining integrity of character. I will explain them in more depth in a moment.

On the left hand it says 'internal' which basically indicates that these 2 elements are more about the internal focus of the organisation and the other 2 more the external. 'Reflection' indicates that these two elements are more about reflection and these two are more action focused.

I will now go through each one of the elements in more depth and will ask you to comment on each element.

Stakeholder inclusion describes the extent to which you consult or include all of your external stakeholders. To explain what this dimension is about, here are some of the dilemmas that might be experienced in this element: [see model: let them pop up one by one]

- How can we be open and listen to stakeholders given constraints like time and money?
- Collaboration is important but can we also collaborate with competitors?
- How do we balance listening to stakeholders with showing leadership?
- We aim to treat all these stakeholders fairly but at times their interests conflict

When you look at these dilemmas, have you experienced any of these dilemmas (or

considerations) within your company? How did you deal with them? Who was involved? (Etc.)

Contributing to humanity or planet talks about the extent to which your company makes a difference to humanity or the planet. What are you doing for others and what are you doing for the company? To explain what this element is about, here are some of the dilemmas that might apply to this dimension: [see model: let them pop up one by one]

- Do we continue doing the 'right' thing, even if it does not make business sense?
- Are we doing enough, given that there is always more to do?
- Should we exist? After all, being in business means having an impact on others and/or the environment?

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company? How did you deal with them? Who was involved? (Etc.)

Supporting employee development is about assisting employees to express full potential and their deeper values at work. To explain what this element is about, here are some of the dilemmas that might be experienced in this element: [see model]

- How do we balance employee participation & consultation with being flexible and efficient?
- Do our systems meet business demands as well as honour the full human being?
- How do we assist self-development in employees without imposing it?
- Can we balance a commitment to develop the full potential of staff with other business needs?

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company? How did you deal with them? Who was involved? (Etc.)

Maintaining integrity is about the integrity of the organisation towards its values. This is about self-knowledge. To explain what this element is about, here are some of the dilemmas that might be experienced in this element: [see model]

- How do we consider our values in all decisions even when under pressure?
- Reflection on purpose & values is important but where do we find the time to reflect when busy or growing?
- How can we be transparent & open to critique but also protect our image?
- Can we grow and still maintain our culture and values?

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company? How did you deal with them? Who was involved? (Etc.)

- Are there any other conflicts, tensions or dilemmas that you have experienced but that are not listed here?

(b) Enquiring into approach to conflicts and dilemmas:

These questions would depend on the nature of the conflict or dilemma mentioned in the first interview:

The last time you told me about the case of [refer back to particular decision 'against' values/a dilemma], this must not have been an as easy decision to make [or]

One of the most obvious dilemmas you talked about last time was ... You mentioned how you faced the dilemma between ... and

- If you think back to that particular dilemma, were there any debates about this dilemma internally? (Who initiated the dialogue? Through which forum? Who got involved? Were employees conscious of the dilemma?)
- Who decided and what was the consideration?
- How did people internally react to this decision?
- When you thought about your decision afterwards, how did you feel about it?
- Do you think that in the perception of others, this decision undermined the integrity of the core values? [gives an indication whether they know about what others think] (How do you know this? Have they been vocal about it?)

(Version 10)

Appendix 15: Background to the Holistic Responsibility Framework

As mentioned in the main text, this framework served as a tool to enable conversations about conflicts and compromises. By describing *potential* tensions and compromises in relation to four dimensions (stakeholder inclusion; contributing to humanity or planet; supporting employee development; and maintaining integrity), the framework served to normalise these tensions.

This framework was inspired by the “holistic development framework”, developed by Lips-Wiersma and Morris (2009). The original framework, which was based on extensive empirical research, describes four sources of meaningful work and their relation to one another: developing and becoming self; serving others; unity with others; and expressing full potential. In addition, the framework highlights that life takes place between inspiration and a less than perfect reality; and the importance of engaging with *both* for a meaningful existence. While this framework primarily concerns the *individual*, the four categories and the explicit tension between inspiration and reality, were broadly applicable on an organisational level as well, and formed the basis for the “holistic responsibility framework”.

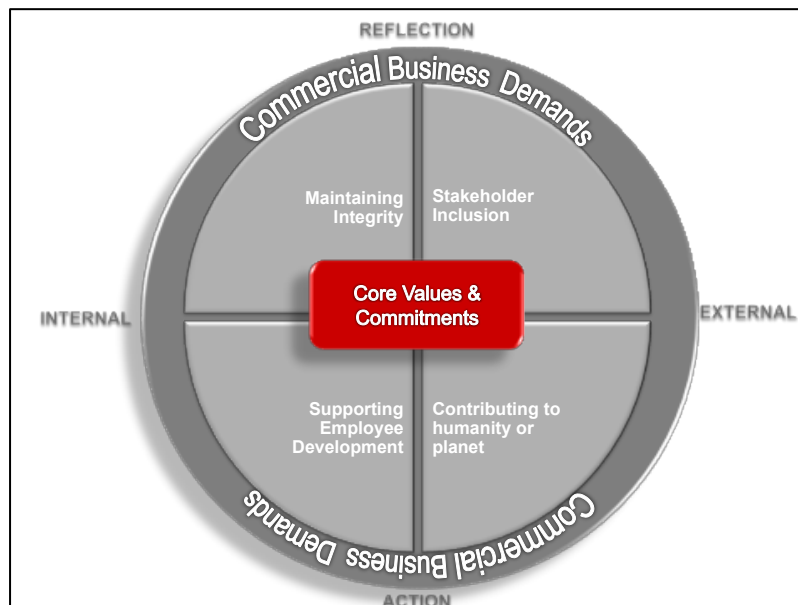
Drawing from the pilot findings as well as a broad review of the literature (in particular CSR, business ethics and strategic management literature, but also popular writings on values-driven businesses), I included the following four dimensions of values-driven business in the framework: (external) stakeholder inclusion; contributing to humanity or planet; supporting employee development; and maintaining integrity. For each dimension, by drawing again from the above-mentioned sources, I described several potential conflicts and dilemmas. For example, one of the dilemmas suggested in the dimension of “supporting employee development”, is “How do we balance employee participation & consultation with being flexible and efficient?”.

The middle of the model represents the core business values and commitments; the outside ring represents the commercial business demands. The framework suggests that tensions and dilemmas may arise when these core values are in conflict with the commercial business demands.

The actual framework and how it was used is described in the Appendix 16.

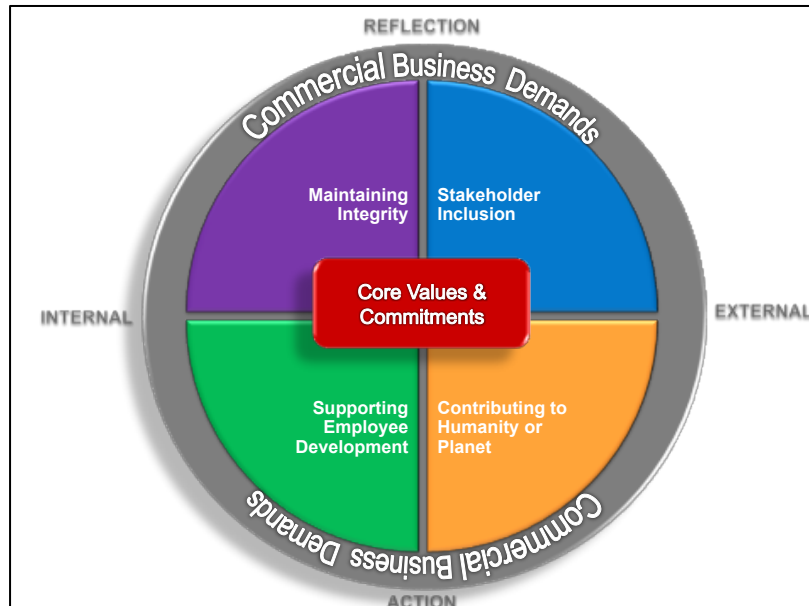
Appendix 16: The Holistic Responsibility Framework

Slide 1:



This is just the outline; in the middle of the model you find the core values and commitments that form the heart of the values driven company. In the outside ring you see the commercial business demands. Complexities arise when the core values are in conflict with the commercial business demands, or when values are in conflict with values.

Slide 2:

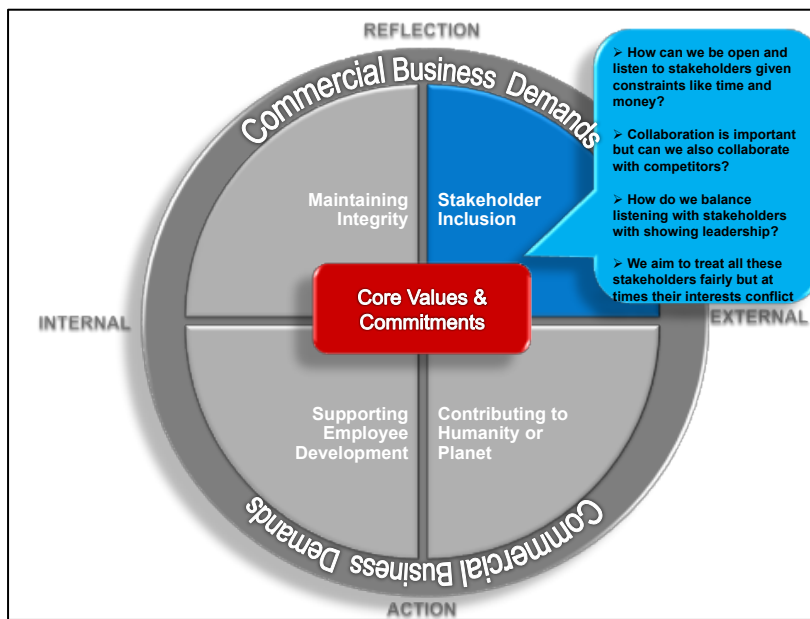


The four areas are four dimensions of a values led business: Stakeholder inclusion, Making a contribution, Supporting employee development and Maintaining integrity of character. I will explain them in more depth in a moment.

On the left hand it says 'internal' which basically indicates that these 2 elements are more about the internal focus of the organisation and the other 2 more the external. 'Reflection' indicates that these two elements are more about reflection and these two are more action focussed.

I will now go through each one of the elements in more depth and will ask you to comment on each element.

Slide 3:



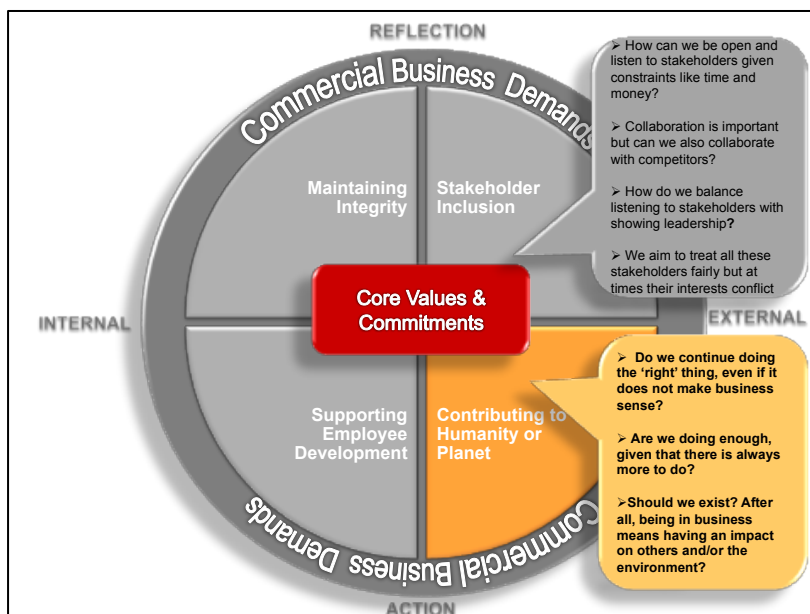
Stakeholder inclusion describes the extent to which you consult or include all of your external stakeholders. To explain what this dimension is about, here are some of the dilemmas that might be experienced in this element:

- How can we be open and listen to stakeholders given constraints like time and money?
- Collaboration is important but can we also collaborate with competitors?
- How do we balance listening to stakeholders with showing leadership?

- We aim to treat all these stakeholders fairly but at times their interests conflict

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company?

Slide 4:

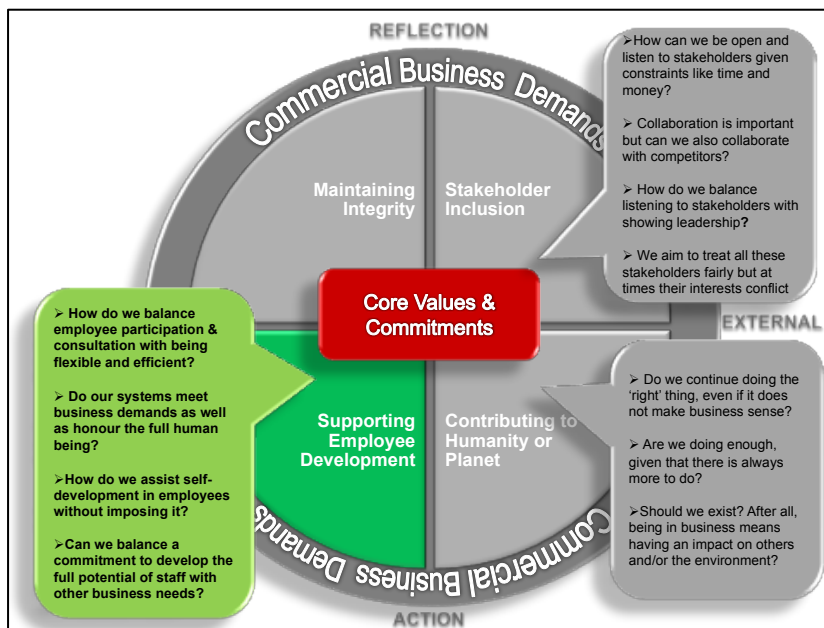


Contributing to humanity or planet talks about the extent to which your company makes a difference to humanity or the planet. What are you doing for others and what are you doing for the company? To explain what this element is about, here are some of the dilemmas that might apply to this dimension:

- Do we continue doing the 'right' thing, even if it does not make business sense?
- Are we doing enough, given that there is always more to do?
- Should we exist? After all, being in business means having an impact on others and/or the environment?

When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company?

Slide 5:

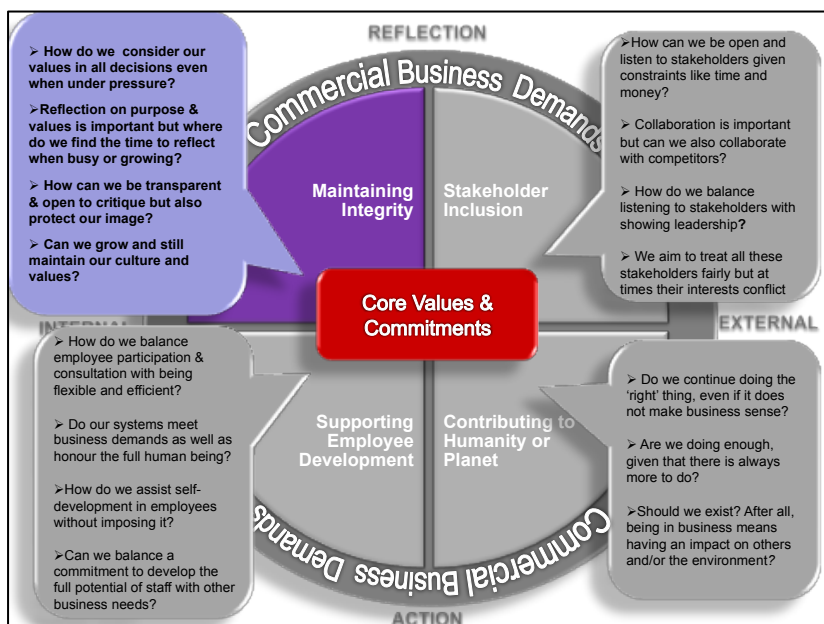


Supporting employee development

is about assisting employees to express full potential and their deeper values at work. To explain what this element is about, here are some of the dilemmas that might be experienced in this element:

- How do we balance employee participation & consultation with being flexible and efficient?
 - Do our systems meet business demands as well as honour the full human being?
 - How do we assist self-development in employees without imposing it?
 - Can we balance a commitment to develop the full potential of staff with other business needs?
- When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company?

Slide 6:

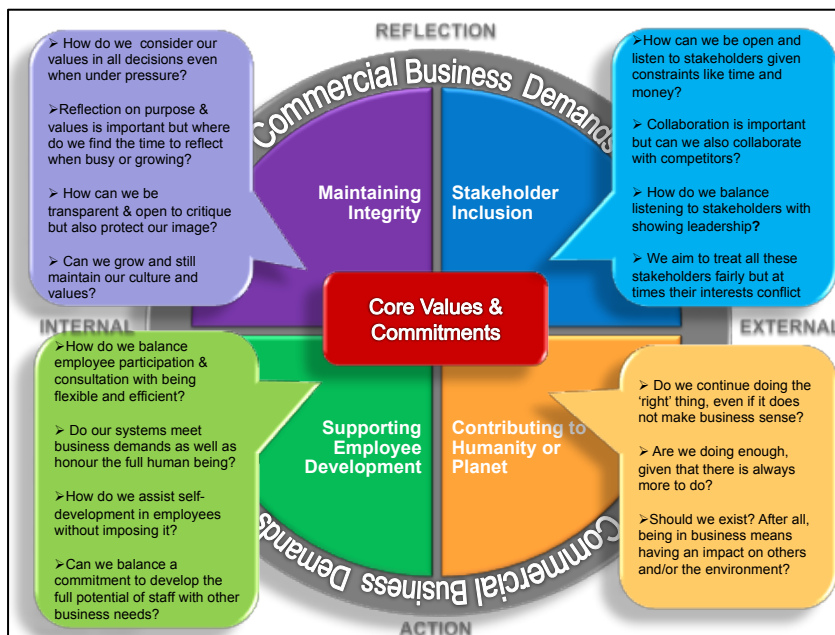


Maintaining integrity

is about the integrity of the organisation towards its values. This is about self-knowledge. To explain what this element is about, here are some of the dilemmas that might be experienced in this element:

- How do we consider our values in all decisions even when under pressure?
 - Reflection on purpose & values is important but where do we find the time to reflect when busy or growing?
 - How can we be transparent & open to critique but also protect our image?
 - Can we grow and still maintain our culture and values?
- When you look at these dilemmas, have you experienced any of these dilemmas (or considerations) within your company?

Slide 7:



Are there any other conflicts, tensions or dilemmas that you have experienced but that are not listed here?

Appendix 17: Operational conflicts and compromises

		Illustrative quotations
Production and Manufacturing	The “what” of production	<p>At The Owlery they are committed to organic and locally-made fabrics, however,</p> <p><i>“You are still in fashion so you still need people to look good and feel good in what they are buying. They are expecting things to look good. So it’s really grappling with that It’s this constant struggle, you are still in business, you still have to supply the customer with what they want.”</i></p> <p><i>“Where we felt it was absolutely imperative to have an organic ... product on the floor and we felt that the true cost (if we used the usual equation to get to our selling price) was really too high in that it didn’t convey the value we wanted it to convey, we will take half of the difference and we will absorb it ... so it is much more palatable to the customer. We don’t have as high a profit margin but it is more important to us to get that product to the customer We want her to be able to afford it. So that is the kind of tug of war we play between cost and values” (Affinity)</i></p>
	The “how” and “where” of production	<p><i>“The problem is that ‘good’, locally made fabrics are very expensive in comparison to fabric from other countries. But that is something we really believe in: We believe that the industry needs to be supported. It makes me sick to think about women who have been laid off because the whole industry is falling over with the recession just pushing in. It makes me feel sick to think that that small t-shirt has gone all the way over there to be made and then brought back. And someone is sitting here twiddling their thumbs, it does not make sense. But there are good arguments to go offshore. [However,] with my logical head on ... it is a competitive market out there and I can sit here and say, this is what we do but meanwhile our garments do average 150 Euros to make Honestly, you might the kind of person who would be interested in what we make, but the reality is: Can you afford to?</i></p> <p><i>So you have these weigh-ups constantly, and was it the right thing? There is no industry specific body that agrees on things, like what is the most sustainable option? Because if the fabric is there [overseas] and people are there to make it and you are just shipping it, you might still not be doing a bad job. Especially if you can check of all your environmental issues with your overseas factory it might not be a bad option because if you make it in The Netherlands than the fabric might be travelling more” (The Owlery)</i></p>
Supply chain		<p><i>Patrick from Green Valley Organics reflected on the tension between their commitment to customers, in terms of affordability, and their commitment to support small, values-driven suppliers</i></p> <p><i>“There is always a conflict around, this is probably one of the biggest conflicts in the business, is actually trying to be affordable and accessible to all, that is probably the kind of fairness thing [which is one of their values].</i></p> <p><i>So from a consumers’ point of view that means that we are delivering vegetables at a price that people on lower incomes can afford to eat them, and I feel quite strongly about that. But that sometimes means that [you cannot support certain suppliers] [For example] This Italian producer of parmesan cheese; family business and he was going all into how he produces. It sounded absolutely wonderful ... it wasn’t just the cheese it was the whole philosophy. And I thought, hang on ... you have got a wonderful kind of story that you are absolutely passionate about ... but I am not sure I can ask my customers to pay for your philosophy. Although I kind of wanted to. You know it is about affordability and accessibility vs. supporting small producers”</i></p>

		<p><i>Tom from Einstein's Cycles recognised the tension between their commitment to suppliers and treating them fairly, and the financial impact of this commitment</i></p> <p><i>"There are lots of places where we could make more money. We could buy some products cheaper from suppliers but we are committed to working with some suppliers who are also supporting values that we care about</i></p> <p><i>It gets talked about at the sales meeting where we are saying, what products are we buying? So we find this product, we really like it, we can buy it from this person for less, we can buy it from this person for a little bit more It's shocking some companies force their suppliers to take their price down so they can make more money, so suppliers have to de-feature to make it work That is not our thing, we are about building values into products"</i></p>
Sales and Customer care		<p>MD Oliver from the Brougham Group explained a tension between a commercial opportunity and the values:</p> <p><i>"One of the questions we have found, we have not actually successfully solved this, but ... we have got a new motor cover which provides in blast protection ... for vehicles So the idea is that, if you have warrior battle tank ... this might help avert the blast coming from underneath because the cover absorbs energy. So it protects</i></p> <p><i>One of the debates we actually had internally [is], do we actually supply our products for this? And the answer was, Yes, because it was defensive. I talked to Jack [part of the founding family of Brougham] about it myself, I said, look, we have got this dilemma ... I would never supply anything which goes into a shell, blows you up, kills you ... we are not interested in any of that. So if anybody else does it, it is not up to me, but we will not do it. Yeah, and there are grey areas but it's ... the good thing is to have the debate and consider whether it is right or wrong"</i></p> <p><i>"We make clothing. We are a clothing company and we have to sell our product in order to stay in business. At the same time, do we want to be making more stuff to put in the world? It is very, very conflicting.</i></p> <p><i>But ... people need clothing. So in fact, oddly enough, if you were to walk into our store and try something on and the sales person genuinely thought that you didn't look very good in it, she would tell you that's not the right thing for you, you should not buy it. We've heard this happens frequently in our stores, so we actually turn people away from buying the wrong product. However, of course, she'll run to the rack and say, you should try this on instead. But you know, we don't want people to buy the wrong thing, we want them to buy something that is going to last a long time, our product is known for lasting a long time" (Affinity)</i></p> <p><i>"We discovered about two years back ... when we moved to a new system, that we were still effectively being paid by clients on an old contract, legitimately, and it had been accruing to the tune of about one and a half million Euro Question: What do you do? It is legitimately ours, technically, but it just felt wrong. So we had a discussion and it was at a time when the company actually was tight on cash and tight on money, and with renegotiating its bank governance.</i></p> <p><i>And what we did We paid the money back to the client, and we had to invest in about five people to do the accounting work to find out how to pay the money back because all the clients had left So, not only did we have to pay a million-and-a-half Euro, it cost us about two</i></p>

		<p><i>hundred thousand Euro to do it. We could have just eaten that ... could have not paid the money and kept the two hundred thousand It was the right thing to do. It would have been honest, but it would have lacked integrity. (Long pause) and therefore we did it. And, you know, I do not know of any other company that would ever have done that" (Landrijsk)</i></p>
Marketing and Public Relations		<p><i>"We have a good one at the moment with our brochure. This caused a huge rife in the company. At the end of the day, we are a business and we have got to market [our products]. [Shows a little paper brochure with latest season.] It is all recycled paper, it is soy ink; it is made in Holland but still it is not enough. Even our employees are asking questions: Why are we doing this? It is just more waste!! So internally we had to argue among ourselves but at the end of the day, we are in business and we need to pay you your wages. How do we market our product then? What is another way we can do this then?" (The Owlery)</i></p> <p><i>"I'd have to say it takes an inordinate amount of patience to allow the public and the public media to eventually catch up and define Prometheus and understand who Prometheus is with its full authenticity intact. Because so many of our brethren and so many sister organisations, they will say 'we're green and we do this, and we're interested in the community and look what we just did with our foundation' and so it's so easy in the clutter of ads out there... people can lose sight. And so you just have to be patient for that. And over the years you have go to resist and he [Thomas] and I can have difference of opinion about how much you can forwardly push a 'branding' campaign when it's attached to authentic things when everybody else is pushing a similar campaign that is not authentic and how are you going to avoid getting caught together" (Prometheus Bank)</i></p> <p>Similarly, Mark from Everest reflected,</p> <p><i>"Where I really struggled personally was [...] that we were suddenly exposed to the highly aggressive American and Asian companies that were only in it for the money and would produce second-rate products, that praised their own products to bits, so they appeared to be the best product in the world suddenly. So customers got really confused between buying a cheap product that was 'really fantastic' or a great product you could not exaggerate enough. The words that we used for our product to honestly describe our product were used by other manufacturers to describe an inferior product"</i></p> <p>Whitcoulls Bank is committed to only invest their funds into organisations and projects that comply with their sustainability criteria. However, they are also conscious that with the rising availability of information (partly through expansion of the Internet and social media), there is a good chance that despite their investigative efforts they might not take all available information about potential investments into account. This does present them with some dilemmas:</p> <p><i>"It is important to us, in particular in relation to the clients but also towards the media in general, to say, 'listen, we cannot guarantee that all our investments comply 100% with the formulated criteria'. Of course we do try to formulate these criteria in such a way that we can comply with them so that you do not create any expectations that you cannot fulfil. But still, you might miss things, you might not know things. And that is very important in our external communication, that we, even do I really dislike this word, 'manage' the expectations people have of us The last thing I want is that we present ourselves to the world as 'the perfect bank that knows it all'.</i></p>

	<p><i>And, yes, that is a challenge and because of that commitment we are faced with some interesting questions. For example, just recently, we received an invitation of the Financial Times to participate in the “Most Sustainable Bank of the Year” competition. And we asked ourselves, ‘do we really want to do this?’ The chance that we participate and actually win is quite big. But, and this we discussed with the directors as well, I am not sure we want this. Because with winning that competition you create an expectation that we are indeed the most sustainable bank of the world, and I do not feel comfortable with that. So we decided to let that award go, and these kind of choices you have to make when managing expectations</i></p> <p><i>So we won’t claim that we are the most sustainable. It is important to us to have a humble attitude towards this kind of thing”</i></p>
Human resources and employees	<p>At Affinity they are very concerned with employee participation as this honours their deep commitment to employees. However, Kay reflected</p> <p><i>“Balancing employee participation with being flexible and efficient, that comes up all the time because we try so hard to hear voices. In fact, we have had to pare back on how many voices we hear ... because it was just bogging us down so much”</i></p> <p>Social responsibility at Eden Breads has always expressed itself in how they approach and treat their workforce. However, they experience tensions between laboursaving and cost saving:</p> <p><i>“We had a policy about twelve-fifteen years ago to provide as much employment as we could; it was a time when [nationally] employment was a bit tight. We were proud of the jobs we created and we said, if we were going to be labour intensive we need to be careful about our hourly rates. You can’t have it both ways: a highly paid workforce and employment, there is a trade-off or tension there”</i></p> <p>Another conflict was experienced between laborsaving and productivity/efficiency:</p> <p><i>“There is always the tension between productivity and laborsaving. We have to invest in new machinery because we have to stay competitive and sometimes that means that we have slightly less jobs or have to redeploy somewhere else but overall we are growing. But sometimes it means we don’t need that unskilled labor in a particular area of the factory.</i></p> <p><i>We need to make the trade-off between finding good quality jobs for people and automating, so that we are cost efficient and having better quality standards” (Eden Breads)</i></p> <p>Kay from Affinity explained the tension between ‘urgent’ business needs and honouring employees,</p> <p><i>“You know, here’s a really silly, mundane example but we have this room called the yoga room: it has a silk screen on the outside of the room. And I would say 99% of the time it has tables and chairs set up in it because it’s used more for meetings ... than it is for yoga or any kind of wellness activity.</i></p> <p><i>So prior to having this expanded space, when we were really beginning to run out of meeting spaces, the yoga room became increasingly a meeting room, and if yoga had been scheduled but another meeting needed to happen and we didn’t have any other place to have it, we would cancel yoga.</i></p>

So there was this whole outcry about, what do we really value here in this company?, Those of us that go to yoga, really need that yoga and that time. It's 45 minutes or an hour and we really need it. So that was really hard"

Or this example of PSG: PSG's gardening services company specifically hires people with a "difficult body" and they want to honour the limitations of these employees. At the same time, however, they are a business and as such they need to "deliver", and timeliness and efficiency are of importance:

"Yeah, I think it is constantly a thing for us [that tension between being efficient and caring for the employees] ... Those planners [who plan which person goes where for what job] are judged on the amount of work is done for the business, but those employees may really need to be back at a certain time because they need to inject themselves or do a kidney flush ... or whatever, or because they are simply exhausted. So that is constantly a weigh-up [for these planners]: will I push that person or that work through or will I ... You know? So that's pretty full on really, you do ask a lot of people. But it works, and sometimes it doesn't. Then they just go a little bit too far with a person"

Appendix 18: Strategic conflicts and compromises

	Illustrative quotations
Growth and expansion	<p>Christine, the CEO of fast-growing Three Brothers reflected on balancing the benefits and the challenges of growing,</p> <p><i>“Growing creates complexity. You hire more people, you spend more money on infrastructure but you also have an engine that keeps the creativity going ... you have cash that allows you to try new things and buy bigger wood cellars Growth keeps things from getting stagnant and that's a good thing.</i></p> <p><i>But you're balancing that against not only complexity but when is enough, enough? There's no one right answer to that Where are we being sustainable when we grow larger? It's a tough question because the other side of that, and this was really the thing that kicked us into feeling better about growing; it provides opportunities for people If you've been here 15 years and we stopped growing five years ago, you're likely to be doing approximately the same thing and that's not so challenging or intriguing or engaging. So we've had to come to some terms with it. It's an uneasy understanding that we have about it. Just the whole: is getting bigger a resource-consumptive problem? In some ways I say, Yes, it is a resource-consumptive problem. Then on the other side of that I say, but if we're going to be a business role model, if we're tiny, whoever hears about us? So we're always sort of trying to come to terms with this”</i></p> <p>Tim from Nature Foods explained,</p> <p><i>“I think we have been quite fortunate that we found a reasonable balance in trying to address the need to be commercial and our growth aspirations, and balancing that with maintaining what we felt were are core values. Tricky.</i></p> <p><i>Can you give me some practical examples of where those things became tricky?</i></p> <p><i>Probably one would be around working environment. We would have liked to have actually been able to provide a better working environment for people ... people having to go and have their morning tea and afternoon tea in their cars because we actually were growing so fast and so dramatically (and we continued to do so) that we could not actually keep up with the physical environment and could not be funding that.</i></p> <p><i>And the challenge was always to go out and raise capital versus remaining where we were. It was not really a conscious thing but I guess we were aware that we were appealing to the goodwill at times of our staff to actually hang in there that things would get better – even though it was not necessarily evident at that time.”</i></p>
Ownership and succession	<p>Paul from Eden Breads reflected on the tension between wanting to sell the business while also wanting to honour their commitment to their employees</p> <p><i>“About 18 months ago we looked at the possibility of selling the business. Some of the criteria were that we wanted to sell it for a good price but also the welfare of the staff and the continuity of the business and its values was important. One of the organisations that</i></p>

came up with the highest price was based [on the other side of The Netherlands]. They proposed to shift the manufacturing down there, take some of the senior staff but largely without middle management and the factory staff. They accepted that being Turkish, [the factory staff] probably would not want to move [there]. We turned around as shareholders, and said, no, that is unacceptable. It was not just a case of looking after the senior staff. We had factory workers that had worked for us for 15 to 20 years, had done the hard yards in the early days and they had an equal right to be looked after compared with senior management. We turned the proposal down on that basis, and said it is not just about absolutely maximising the wealth of the shareholders. The staff, the stakeholders, they needed to be considered as well"

In terms of the tensions surrounding 'going public', Christine from Three Brothers explained:

"The combination of, it is a capital intensive business, so trying to raise enough money for expansion, plus making sure that ... the business continues on in the way that's been important to us in growing the business. Making sure that that happens kind of closes some doors to particular ways of financing.

Plus, not that I need a liquidity event that completely buys me out of the company, but it would be nice to feel like after 20 some years of doing this that there was some sense that there's financial reward in that

So that is certainly for us a challenge these days and a lot of what drives that, is our desire to make sure that the choices we make ensure a company that lives on and operates in a way that's consistent with our beliefs. And then going public ... frankly for us it's felt like a level of [pause] not exactly scrutiny, but that we might be making choices that are really based on quarter over quarter profits as opposed to environmental benefit or benefit for our co-workers, or a particular investment in a long range market strategy. So we're hesitant to consider an IPO as a viable strategy for us"

Appendix 19: Philosophical conflicts and compromises

	Illustrative quotations
Philosophical	<p>Kay from Affinity explained,</p> <p><i>"It pains [the founder] actually, she frequently... I've heard her say, We make clothing. We are a clothing company and we have to sell our product in order to stay in business. At the same time, do we want to be making more stuff to put in the world? It is very, very conflicting."</i></p> <p>Similarly, Pippa from The Owlery said,</p> <p><i>"The thing is, I am here and I love what we do but really the deeper thing is: why do we do it?"; "I think one of my big questions was how many frocks does the world need? If we don't need any more, then why am I doing it? It is always getting to these places and questioning 'what you are doing?'"</i></p> <p><i>"It also comes back to consumerism, so my thing that I am always grappling with, do we actually really want to sell more? Because at the end of the day, even if it had minimal impact, it's still impacting"</i></p> <p>Patrick from Green Valley Organics talked about how sometimes business does not contribute much anymore and that it is important to accept that this may happen:</p> <p><i>"Sometimes you just have to say.... Everybody is doing new things all the time and they want to make some spaces for new things. Sometimes things just got to go. And it may be, with my business, some time will come when it has had its day. And I would say to ... these regional farms ... just go off and do their own thing. They don't have to be part of Green Valley I would like that to be a regular debate: If we are not adding value, if we are not more than the sum of our parts there is no reason for 60 people to be sitting out there at head office."</i></p>

Appendix 20: Summary of main findings and shortcomings of literature

Chapter	Topic	Main Findings	Literature reviewed	Dominant focus in literature	Current literature does not explain or mention	Remains un(der)explored in current studies
3	Employee responsibility	<p>Employee responsibility in values-driven business is based on an understanding and respect of the employee as human being.</p> <p>Employee responsibility is characterised by generosity; a wide variety of practices that go beyond “paternalistic” practices alone; and a thorough integration throughout different organisational systems and practices. In addition, within these businesses there is a movement towards co-creating the internal environment with all organisational members.</p>	Employee-related CSR studies.	<p>Lists of employee-related practices.</p> <p>Employee-related practices that (also) create financial or commercial benefit for the business.</p>	Generosity of practices; the thoroughness of integration. It hardly addresses the tendency towards shared responsibility for the internal environment.	<p>Exploration of what is ultimately or inherently good for employees.</p> <p>Limited understanding of actual requirements and challenges involved in the implementation of human-centered CSR.</p>
4	External engagement	<p>The openness to engagement with the external environment is based in an understanding and honouring of the interdependence between the business and external others.</p> <p>External engagement is characterised by a focus on partnership with others; the understanding of the business as a platform for change; involves a broad scope of human interactions; and the blurring boundaries of conventional roles.</p> <p>The emphasis is on co-responsibility; of business and external others standing together to effect social and environmental change.</p>	Social partnership and collaboration literature.	<p>Formal or structured collaboration; <i>cross-sector</i> collaborations. Formal process of partnership formation and maintenance (e.g., “steps” or stages).</p> <p>Despite the understanding that social partnership is an important vehicle for social/environmental change, or for CSR, emphasis is on the (commercial) benefits for collaborative partners.</p> <p>External engagement that is motivated by a push or threat from external stakeholders.</p>	<p>Informal, irregular, ad-hoc external engagements. Engagements that have intangible or undefined outcomes.</p> <p><i>Within</i>-sector engagements; engagements without commercial return (e.g., with competitors; engagements where business is “merely” a platform).</p> <p>Engagements that are “intuitively” entered into and for which no cost or gain was calculated.</p>	<p>Details, requirements and challenges of informal, non-commercial engagements.</p> <p>The implications of business taking a non-economic role.</p> <p>Corporate responsibility as co-responsibility with external others.</p>

5	CSR implementation process	<p>CSR implementation is an ongoing, emergent and evolutionary process.</p> <p>The only constant in CSR implementation is change; there are no final solutions or endpoints. CSR implementation is adapting to the internal and external conditions, rather than seeking perfection. CSR implementation is not a solely rational process, but has an important intuitive element. CSR implementation is by nature quite “messy”, nonlinear and organic. CSR implementation is company-specific.</p>	Process-orientated CSR implementation studies.	<p>Traditional stakeholder “management” focused on gaining legitimacy is understood as core to implementation process.</p> <p>Despite understanding of the CSR process as ongoing and recursive, many studies refer to solutions or endpoints.</p> <p>Tendency to generalise, standardise, over-rationalise and over-systemise the implementation process.</p> <p>The propensity to equate formalising values in statements or practices with successful implementation.</p>	<p>The importance of the ongoing nature of the CSR process for “successful” implementation.</p> <p>Limited attention for the emergent and evolving understanding of the actual values and commitments that are to be implemented.</p> <p>The intuitive and messy nature of this process.</p>	<p>Fails to explore what may assist or impede the ongoing nature of the process.</p> <p>The challenges of this process; e.g., being in constant change; taking time out to reflect when pressing demands arise; formalisation impeding continuous questioning.</p>
6	Conflicts and compromises	<p>Conflicts are a normal and accepted part of values-driven reality. Decisions on conflicts do not always require a great approach or rational deliberations, but more often than not, involve an intuitive element of “knowing” what is right. Such decision making is characterised by collaboration, creativity and pragmatism.</p> <p>Difficult compromises seem inevitable. “Sticking” too strongly or too long to the values, as well as losing sight of the original aspirations, are challenges for values-driven businesses.</p> <p>Being values-driven is a struggle, which comes at a personal cost.</p>	The “beyond win-win” CSR literature	<p>Emphasis on the systematic and rational deliberation of different options. Tendency to see “highly complex decision-making” as main challenge of balancing competing values and commitments.</p> <p>Emphasis on “traditional” stakeholder approach to “solving” conflicts.</p>	<p>Most answers to conflicts are not black and white.</p> <p>“Holistic” perspective on values and commitments; the acceptance of conflicts as normal part of reality.</p> <p>The relevance of non-rational and creative approaches to conflict.</p> <p>The struggle involved in being values-driven, e.g. losing heart and energy to keep going.</p>	<p><i>Actual</i>, experienced conflicts and compromises.</p> <p>What may support (or inhibit) non-rational, creative or intuitive approaches to making decisions on conflicts.</p> <p>Failure to explore challenges beyond highly-complex decision making; e.g., losing heart; losing sight of <i>all</i> that is important in business.</p>

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